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Evaluation

Evaluation of the cooperation agreement between the United Nations Industrial Development Organization and UNDP — Executive summary*

Contents

Chapter		*Page*
I.	Purpose, objective and scope	2
II.	Methodology	2
III.	Limitations and constraints	3
IV.	Main findings	3
V.	Conclusions	5
VI.	Recommendations	6
VII.	Lessons learned	7

* The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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I. Purpose, objective and scope

1. The present evaluation report is the result of a joint terminal evaluation of the cooperation agreement between UNDP and the United Nations Industrial Development Organization (UNIDO) signed on 23 September 2004 for a period of five years. The evaluation was launched in response to the requirement of the UNIDO Industrial Development Board. The purpose of the evaluation is to present evidence and findings on past performance as well as recommendations for future steps to be taken by both organizations. The evaluation findings and recommendations will be presented to the UNDP Executive Board during its second regular session 2009 and to the UNIDO General Conference in December 2009.

2. The objective of the evaluation was to assess the extent to which the work carried out under the agreement succeeded in achieving the goals specified in the agreement. The present terminal evaluation builds on the joint midterm assessment conducted in 2006, but focuses on the 2006 to 2009 period. It was conducted jointly from March to July 2009 by the UNDP Evaluation Office and the UNIDO Evaluation Group, and carried out by two independent consultants with support from the professional staff of the evaluation offices of UNDP and UNIDO.

3. The evaluation covers the two components of the cooperation agreement: the 'UNIDO desks' component and the 'joint private sector development' component. It addresses the relevance, efficiency, effectiveness and sustainability of the cooperation agreement; and, in so doing, it covers the implementation process and the progress made towards the intended results.

4. This evaluation does not assess development results of UNIDO/UNDP projects or programmes. This is not an evaluation of projects, nor a performance appraisal of individual local heads of UNIDO operations. Rather, it assesses the institutional performance related to achieving the objectives in the cooperation agreement.

II. Methodology

5. Based on the experience of the midterm assessment of the agreement, a mixed method (quantitative and qualitative) approach was deemed necessary. The evaluation involved the following key components: (a) background research and desk review; (b) stakeholder mapping and analysis; (c) data collection from primary and secondary sources, including field validation missions and visits to the headquarters of both organizations; and (d) data analysis and triangulation.

6. The background research and desk review was conducted to attain full understanding of the context of the agreement and to design the evaluation. For primary data, partners were identified from government, bilateral donors, the private sector and civil society organizations. For secondary data, staff of UNDP and UNIDO (at headquarters and in pilot countries), as well as the United Nations country teams (heads of United Nations organizations), were selected.

7. The data collection involved: (a) desk review and document analysis; (b) semi-structured interviews at headquarters and in five countries selected for the validation missions; and (c) surveys targeting selected stakeholders, including a self-assessment for the heads of UNIDO operations (UNIDO desk staff).

8. The evaluation included field missions to five selected countries, primarily to validate the findings of headquarters interviews and the desk review. The five countries

were: Armenia, Bolivia, the Lao People's Democratic Republic, Nicaragua, and Rwanda.

9. Views expressed by the staff from each organization were triangulated with the views of the other organizations, evidence from national counterparts and documentary evidence.

III. Limitations and constraints

10. There are structural asymmetries in the agreement that also affect the methodology of this evaluation; the most important ones relate to the differences in financial and human resources available as well as the programming arrangements of the two organizations. UNDP conducts operations in 166 countries and has a highly decentralized structure; the primary approach of UNDP is that of national execution.[1] The UNIDO field network comprises 16 country offices and 12 regional offices.[2] Programming arrangements are mainly determined at the headquarters. Thus, the primary UNIDO approach is that of direct execution.

11. Those asymmetries led to differences in terms of the immediate and potential benefits of the agreement, affecting the level of interest in each organization for the effective implementation of the agreement. For UNIDO, the stakes are much higher than for UNDP, in particular with regard to the expansion of its field presence. Information and knowledge about the functioning of the UNIDO desk are therefore mainly from UNIDO sources and UNIDO staff, respectively, while knowledge about the UNIDO desks on the part of UNDP side was rather limited, particularly at headquarters. As a result, UNIDO data sources are more frequently used in this evaluation. The evaluation team has taken this into account and has made an effort to filter out possible biases from responses.

IV. Main findings

12. While its objectives remain important, the cooperation agreement has lost its relevance as a platform for joint programming, particularly in light of the UNDAF guidelines. On the other hand, the need remains for operational agreements defining the administrative and logistical support to the UNIDO desks.

Findings: UNIDO desks

13. The expanded UNIDO field representation is increasingly important to UNIDO, while to UNDP the UNIDO desks are of limited relevance. The staffing of the UNIDO desk with nationals is appropriate and adequate. However, there is a mismatch between the many tasks assigned to the heads of UNIDO operations and the tools provided to handle them.

14. With a field representation in 46 countries by the end of 2009, UNIDO has – thanks to the agreement – expanded its country presence by over 50 per cent. National governments and other development partners generally appreciate the actual or potential role of UNIDO desks as advisors on sustainable industrial development.

[1] Regional and global programmes are overseen directly by headquarters; however, these constitute a fraction of UNDP expenditure.

[2] In addition, it extends its presence through 34 national 'cleaner production' centres, 19 investment and technology promotion centres and 9 technology centres.

UNIDO desks normally participate in the United Nations country and contribute to the common country assessment and United Nations Development Framework (UNDAF) processes and to the development of new UNIDO projects. However, the establishment of UNIDO desks does not automatically lead to an increased delivery of UNIDO services or to greater and more effective articulation with the national development planning and management processes.

15. The contribution of UNIDO desks to the efficient implementation of projects is uneven. Several factors constrain them, including limited decision-making power, time-consuming communication with headquarters through UNIDO regional offices, limited human resources, lack of access to UNIDO information technology tools for resource planning, and incompletely clarified responsibilities of heads of UNIDO operations in the area of programme implementation.

16. In some countries the cost of the UNIDO desk is high compared with the volume of activities (delivery). As demonstrated in chapter 3.2.3 of the full report on the effectiveness of the UNIDO desk, delivery is only one of several criteria, and it is indicative for only one of the core functions of a UNIDO desk, namely, support to project implementation. There are other important functions, such as the advisory role to governments, participation in the UNDAF process and strengthening the United Nations country team. Justification of a desk depends on the specific functions of the desk in a particular country during a particular period. Whether or not a UNIDO desk in a given country can be justified over the long-term cannot be dealt with merely by comparing cost with delivery.

Findings: Joint private sector development programme

17. The emergence of several joint programme funding initiatives, as well as the progress made in the operationalization of United Nations reform, have, to a large extent, made the cooperation agreement redundant with respect to joint private sector development programmes.

18. The constraints encountered during the implementation of the programmes and the incidences of failure were found not to have been affected by the choice of target countries. All the host countries covered by the agreement had employment creation and income generation as priority areas in their respective national policies.

19. The cooperation did not lead to expanded private sector development programmes with enhanced impact. Only two projects from the original joint programming exercise passed the formulation stage and went into implementation (the Lao People's Democratic Republic and Rwanda). In both cases, only a small fraction of the original budget could be mobilized.

20. No evidence was found indicating that the joint programmes led to broader inter-agency coordination in private sector development: this was brought about by the presence of UNIDO desks. In most countries, the heads of UNIDO operations participated as members of the formulation teams for joint projects and played a significant role in relating the projects to local conditions by involving relevant partners and stakeholders.

V. Conclusions

21. The cooperation agreement signed in 2004 was visionary in addressing, at an early stage, issues of enhanced system-wide coherence,[3] but did not fully internalize the country-level conditions or take into account the existing modalities for inter-agency collaboration, in particular the joint programming modalities suggested by the United Nations Development Operations Coordination Office (DOCO).

22. The bilateral partnership failed to avail itself of the opportunity to involve other United Nations organizations working in the area of private sector development.

23. The systemic asymmetries in programming arrangements posed a considerable challenge to the successful implementation of the cooperation agreement.

24. The focus of the agreement on a particularly difficult area for cooperation posed an additional challenge.

25. As an incentive for joint programming, the cooperation agreement was of limited relevance and effectiveness.

The UNIDO desk

26. The central role of the UNDAF for the United Nations system at the country level and the progress in system-wide coherence increase the relevance of a UNIDO country presence, and its continued participation in the United Nations country teams, in line with the Triennial Comprehensive Policy Review of 2008. The cooperation agreement helped UNIDO achieve its aim of enhancing field presence to provide better support to countries. However, the benefit to UNDP of expanding its capacity in private sector development through collaboration would appear minimal.

27. Several UNIDO desks have demonstrated that the concept of the UNIDO desk works. However, not every UNIDO desk has added value to the programme country, and it is a shortcoming that UNIDO has not established a functioning review mechanism for the desks.

28. The ambitious goal of UNIDO to expand its field presence to 80 countries by means of the cooperation agreement has not been achieved and appears unrealistic unless the technical cooperation implementation capacity of UNIDO headquarters is increased.

29. As indicated above, the cost of the UNIDO desk is high compared with the volume of activities (delivery) in some countries. However, an adequate ratio between the cost of a UNIDO desk and the volume of UNIDO activities (delivery) can only be set on a country-by-country basis depending on the relative importance of each of the core functions assigned to a UNIDO desk. The logistical arrangement of housing UNIDO desks in UNDP premises has been beneficial.

Joint private sector development programme

30. The initiative of establishing a coordinated approach to private-sector development was visionary in responding to the recommendations of the *Unleashing Entrepreneurship* report of the Commission on the Private Sector and Development.

31. The private sector development component of the agreement did not achieve any results.

[3] The 'Delivering as One' report of the Secretary-General's High-level Panel on United Nations System-wide Coherence was released in November 2006.

32. The lack of established procedures and clear operational guidance for the implementation of the agreement at the country level led each organization to proceed according to its respective modus operandi, slowing progress in joint programming and fundraising for private sector development.

33. The comparative advantages of UNDP and UNIDO in private sector development are not obvious to governments and donors; neither are the synergies of the two organizations working together in private sector development.

34. Trust funds such as the Millennium Development Goals Achievement Fund and the Trust Fund for Human Security represent stronger incentives for the United Nations system to work effectively together than do bilateral cooperation agreements.

VI. Recommendations

35. *Recommendation 1.* In line with United Nations reform efforts, bilateral agreements among United Nations organizations working on private sector development should be replaced with a system-wide cluster approach involving all relevant units, so as to further coordination, coherence and synergies.

36. *Recommendation 2.* Until a system-wide approach is developed, the existing partnership agreement between UNIDO and UNDP should be replaced with a memorandum of understanding that defines operational and administrative arrangements at the country level, including provisions for UNIDO desks. The memorandum of understanding should provide an institutional framework of cooperation and facilitate collaboration between the parties.

UNIDO desks

37. *Recommendation 3.* The expansion of UNIDO desks must be commensurate with the technical, human and financial capacities of UNIDO headquarters so as to be able to provide the necessary support and to respond effectively to the increased demand for technical assistance triggered by new UNIDO desks.

38. *Recommendation 4.* UNIDO must establish a transparent selection and review mechanism to guide the expansion of its country presence through the desk modality and to monitor progress towards the intended results. Some of the considerations to be borne in mind when expanding the desks are:

(a) Level of government and private sector interest and demand;
(b) Alignment with the UNDAF;
(c) Substantial pre-existing volume and trend in the UNIDO portfolio; and
(d) Funding opportunities for UNIDO projects.

39. *Recommendation 5.* UNIDO should conduct a feasibility study based on the above criteria before any new investment is made to establish a UNIDO desk, so as to minimize the risk of failure.

40. *Recommendation 6.* The review of existing UNIDO desks, as outlined above, should be conducted annually by a panel comprising representatives of the various divisions in UNIDO.

41. *Recommendation 7.* Taking into account the limited capacities of the UNIDO desks, priorities must be set for each country with regard to which functions should be prominent. Priorities must be established, and the role of the head of UNIDO operations role must be clarified internally and externally, empowered by UNIDO. Taking into account the specific country situation, the team recommends using two

different staffing modalities for the desks (see table 5.1.9 in the full report). Well established desks, or desks in countries with a significant UNIDO portfolio, should be managed by national UNIDO country directors. New UNIDO desks, or desks in countries with a small UNIDO portfolio, should be managed by assistant representatives. The title 'Head of UNIDO Operations' is confusing and should be discontinued.

Joint private sector development programmes

42. *Recommendation 8.* The joint private sector development programmes component of the cooperation agreement should not be renewed upon the expiration of the original five-year period. Evidence shows that other developments, such as strengthened United Nations Reform processes at the country level and new aid modalities such as the MDG Achievement Funds provide more effective incentives for the coordination and cooperation envisaged in the agreement.

43. *Recommendation 9.* Both UNDP and UNIDO should resist the temptation of establishing a too-rigid global division of labour within private sector development. Each country context is different and may require a different division of labour, building on the comparative advantage (such as experience or breadth of network) of each organization in a particular country.

44. *Recommendation 10.* Whenever the two organizations embark on joint projects (private sector development or other), they should pay close attention to the issue of implementation modalities and the division of labour between them. DOCO modalities should be referred to, and the agreed modalities and division of labour should be included in the project document beforehand. Modalities for mobilizing funds should also be agreed upon in advance.

VII. Lessons learned

45. The central role of the UNDAF for the United Nations system at the country-level and progress in the 'delivering as one' initiative makes the continued participation of the United Nations specialized agencies, funds and programmes in the United Nations country teams increasingly important. Although not a requirement, permanent country presence facilitates this participation.

46. The proximity of the United Nations specialized agencies to UNDP and other United Nations organizations in common premises ('UN House') are beneficial to the specialized agencies and the United Nations country team as a whole. It facilitates collaboration and allows for pooled administrative services and logistical support.

47. Having United Nations specialized agencies with relatively small country presences staffed and headed by nationals is a workable, cost-effective alternative to relying on international staff. Familiarity with the country context and professional networks can be very beneficial.

48. The initiative of two United Nations organizations to raise funds jointly for joint projects has not worked in the case of the present cooperation agreement. Evidence suggests that this approach is unlikely to produce results in any future attempts, given (a) the trend towards United Nations system-wide joint planning and fundraising; (b) the trend towards an increased share of official development assistance being directed to budget support; and (c) the limited incentives to raise funds jointly when organizations are competing in a shrinking pool of funding for technical cooperation.

49. Many actors are operating in the private sector development segment, and most of the larger ones have direct access to funding (from sources such as the European Union, the World Bank and the International Fund for Agricultural Development). Only when relevant and specialized competences and services can be offered will there be demand and possibilities for funding for organizations that lack their own resources. This is the case for most United Nations organizations.

50. The systemic asymmetries of organizations that enter into an agreement should be reflected in the design of that agreement by means of specific provisions. Agreements between UNDP and non-resident agencies that aim at combining the advantages of the UNDP country presence with the headquarters-based specialized competence of the non-resident agency need to ensure adequate involvement of the UNDP country offices in the process of developing the agreement.

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Joint management response to the joint terminal evaluation of the implementation of the cooperation agreement between the United Nations Industrial Development Organization and UNDP

A. Summary

1. The Administrator of UNDP and the Director General of the United Nations Industrial Development Organization (UNIDO) welcome the overall findings of the evaluation team and agree to continue consultations on ways to strengthen collaboration between their organizations in the light of the joint terminal evaluation report and in the context of United Nations reform and system-wide coherence initiatives.

B. Detail

2. The heads of UNDP and UNIDO appreciate the work of the evaluation team in preparing a comprehensive, informative and insightful report drawing on a high-quality analysis of the results of the 2004 cooperation agreement between UNIDO and UNDP.

3. The evaluation highlights three overarching findings: (a) that the operations of the UNIDO Desks enabled UNIDO to (i) expand its field presence in a cost-effective manner, (ii) contribute to the work of the United Nations country teams, and (iii) respond to requests for assistance from countries where it previously had no field presence; (b) that increased UNIDO field presence can be achieved using national staff; and (c) that the joint UNDP-UNIDO Private Sector Development Programme did not achieve the intended results, and is in large measure rendered less relevant in the context of system-wide efforts to achieve coherence and to deliver increasingly 'as one'.

4. In 2004, when the agreement was signed, it was seen as a model of cooperation in the United Nations system, based on the comparative and complementary strengths of the two organizations. In the five years since the

09-42561 (E) 300709

Agreement was signed, however, there has been a significant enhancement in the United Nations system approach to country-level cooperation and coherence.

5. General Assembly resolutions, especially the triennial comprehensive policy review of operational activities for development (TCPR), have mandated: (a) system-wide coherence and harmonized business practices; (b) changes to the inter-agency governance structures, including the integration of the United Nations Development Group (UNDG) as the third pillar of the Chief Executives Board (CEB); (c) the development of the High-Level Committee on Policy, High-Level Committee on Management policies and UNDG procedures, mechanisms, and tools, to strengthen and provide guidance on joint programming, funding modalities, and implementation processes for efficiency, coherence, and cooperation in operational activities; and (d) improvements in cooperation and coherence resulting from strengthening of the resident coordinator system, harmonizing programming cycles, increased involvement of non-resident organizations in the preparation of United Nations Development Assistance Frameworks (UNDAFs) and joint programmes, and lessons learned from the 'delivering as one' initiative.

6. As a result of those developments, the 2004 bilateral cooperation framework between UNDP and UNIDO has become less relevant to the delivery of country-level technical cooperation. Instead, UNDP and UNIDO are engaged, along with other parts of the United Nations system, in enhancing inter-agency cooperation, and they are promoting policy coherence in such forums as the Donors Committee for Enterprise Development, the CEB Cluster on Trade and Productive Capacity, UN-Energy, and the Industry, Trade and Market Access Cluster led by the Economic Commission for Africa, in which UNDP and UNIDO are active participants.

7. The suggested reforms in the evaluation regarding the UNIDO 'desks' are appreciated and will be taken into consideration when planning for expansion of the field representation. Both organizations agree with the evaluation team that the expansion of UNIDO field representation should continue when nationally identified United Nations programming would benefit from a UNIDO field presence provided that it is brought about in a step-by-step fashion, taking into account UNDAFs that are nationally led and supported by the United Nations country team, and other joint programming processes, and the capacity and resources of UNIDO to respond.

8. The organizations will formulate a corporate memorandum of understanding describing umbrella provisions for areas of cooperation and a framework for future collaboration. In taking the cooperation forward, the Administrator of UNDP and the Director-General of UNIDO will seek to enhance coherence, cooperation and coordination in the wider context of United Nations reform, at country, regional and global levels.

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Country programmes and related matters

Assistance to Myanmar*

Note by the Administrator

Summary

The present report contains the major conclusions, recommendations and strategic challenges identified in the 2009 independent assessment of the Human Development Initiative, phase 4, for the period December 2008 to May 2009, in accordance with the guidelines set out in Executive Board decisions 98/14, 2001/15, 2003/2, 2004/2, 2005/3, 2005/42, 2006/2, 2006/31 and 2007/36. The three-member international independent mission carried out its work in Bangkok from 4 to 7 May 2009, and in Myanmar from 8 May to 30 May 2009. The report of the previous assessment (2008) was circulated through the Executive Board secretariat to Board members in March 2009.

The mission concluded that the Human Development Initiative was in compliance with the Executive Board mandate and addressed the needs of poor and vulnerable people in rural areas of Myanmar. The mission highlighted key challenges and made recommendations that UNDP may wish to consider for implementation under the Human Development Initiative.

Cyclone Nargis hit Myanmar on 2 and 3 May 2008, and left over 138,000 people dead or missing and 2.4 million severely affected, prompting the issuance of a flash appeal and a humanitarian appeal, followed by the development of the 'post-Nargis recovery and preparedness plan, 2009-2011'. The United Nations country team in Myanmar also agreed to develop a new United Nations strategic framework to cover the period 2012-2015. UNDP is therefore requesting a one-year extension of Human Development Initiative, phase 4, until the end of 2011 with no substantive changes to the programme focus endorsed by the Executive Board, in its decision 2007/36, for the current period, 2008-2010.

Elements of a decision

The Executive Board may wish to: (a) take note of the present document and of the report submitted by the independent assessment mission to Myanmar, in particular the strategic challenges and recommendations mentioned therein; (b) request that the Administrator take account of and implement the findings of the independent assessment mission, as appropriate, under the Human Development Initiative; (c) endorse the proposed one-year extension of the Human Development Initiative, phase 4, until 2011; and (d) authorize the Administrator to allocate for the revised period (2008-2011) an estimated $38.9 million from regular ('core') resources, and to mobilize other ('non-core') resources up to a total of $65 million. Both amounts are inclusive of the $24.1 million core and $24.9 million non-core resources authorized by decision 2007/36.

*The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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Contents

Chapter		*Page*
I.	Introduction	3
II.	Conformity with Governing Council and Executive Board decisions	4
III.	Programming context and constraints	4
IV.	Assessment of the Human Development Initiative, phase 4	5
	A. Follow-up to 2008 recommendations	5
	B. Status of Human Development Initiative, phase 4, projects and issues	5
V.	Conclusions and recommendations of the independent assessment	8
VI.	Proposal for a one-year extension of the Human Development Initiative, phase 4	8
VII.	Funding requirements	9

I. Introduction

1. Since 1993, UNDP assistance to Myanmar has been carried out in compliance with the guidelines established in Governing Council decision 93/21 and Executive Board decisions 96/1, 98/14, 2001/15, 2003/2, 2004/2, 2005/3, 2005/42, 2006/2, 2006/31, and 2007/36. In accordance with those decisions, resources were targeted towards critical humanitarian and basic human needs in Myanmar at the grass-roots level, in the areas of primary health care, the environment, HIV/AIDS, training and education, and food security. Projects were formulated and coordinated within a framework entitled the Human Development Initiative.

2. The first phase of the Human Development Initiative (15 projects) was implemented between 1994 and 1996. The second phase consisted of 10 projects that were concluded in late 1999. The phase 3 projects were initiated in late 1999, pursuant to decision 98/14. The ongoing phase 4 was approved in decision 2001/15. Focusing initially on 24 townships, the programme comprises six projects: two community development projects, a microfinance project, a project on HIV/AIDS, a comprehensive survey on poverty and another on agriculture.

3. In 2005, with the approval of the Executive Board (decision 2005/3), the community development and microfinance projects began expanding to an additional 40 townships; and pursuant to decision 2005/42, phase 4 was extended for two more years to facilitate implementation of the expansion. A corresponding expansion in funding was approved, bringing the total core resource envelope to $43 million for the period 2002-2007, and the ceiling for non-core resource mobilization to $65 million. In its decision 2006/31, the Board approved a further 3-year extension of the programme for the period 2008-2010, with the requirement that the programme be presented in greater detail in 2007. In its decision 2007/36, the Board endorsed the proposed programme focus during the 3-year extension (2008-2010) of phase 4, and authorized the Administrator to allocate an estimated $24.1 million from regular resources and $24.9 million from other resources mobilized for the period 2008-2010.

4. The 2008 independent assessment mission to Myanmar was delayed due to Cyclone Nargis, and was undertaken in November 2008. The mission, consisting of three international consultants, assessed UNDP activities in Myanmar as being in compliance with the Executive Board mandate. The detailed assessment report was circulated to Executive Board members in March 2009.

5. Similarly, the 2009 independent assessment mission to Myanmar, consisting of three international consultants, provided a detailed review of the following: (a) the conformity of Human Development Initiative, phase 4 (including activities undertaken in response to Cyclone Nargis) with the Executive Board mandate; (b) programme focus and effectiveness; and (c) challenges and constraints in project implementation. The detailed assessment report is available on the Executive Board website.

6. The assessment methodology included: (a) extensive review of documentation for the phase 4 projects that are still operational, namely, the community development projects, the microfinance project, the integrated household living conditions assessment project and the HIV/AIDS project; (b) visits to project villages in nine of the 60 active project townships; (c) systematic consultations with beneficiaries during field visits; and (d) meetings with diplomatic delegations, international and national non-governmental organizations and United Nations organizations.

II. Conformity with decisions of the Governing Council and the Executive Board

7. The assessment mission concluded that the content and objectives of all Human Development Initiative projects conformed with the relevant provisions of Governing Council and Executive Board decisions. All projects operated independently of Government and targeted the village-level groups and needs described in the mandate. The mission found that projects addressed all of the issues identified, and worked consistently at the grass-roots level – specifically, at the village level with township-level support and coordination. UNDP informs the Government of all programme activities in an open, transparent manner, without involving or benefiting it directly. The 2009 assessment mission, like the 2008 mission, was of the opinion that UNDP interpreted its mandate extremely cautiously.

III. Programming context and constraints

8. Within the framework of the Executive Board mandate, UNDP assistance seeks to address the needs of the rural poor in Myanmar to the greatest extent possible. This is in the context of a relatively weak capacity on the part of the technical departments of government services in health, education, agricultural research and extension, livestock and small-scale fisheries. The *integrated household living conditions assessment* concluded that an estimated 10 per cent of the population were suffering from food poverty, while 32 per cent were living below the overall poverty headcount index line, meaning that they suffered from inadequate food, nutrition and essential non-food items.[1] A significant proportion of rural people were landless (30 per cent) or owned less than five acres (37 per cent).[2] Myanmar received relatively little Official Development Assistance compared to other least developed countries in the region, and a significant portion of public investment was allocated to large-scale infrastructure projects.

9. Cyclone Nargis struck the Ayeyarwady Delta region of Myanmar on 2-3 May 2008, leaving over 138,000 people dead or missing across 37 townships in the Yangon and Ayeyarwady divisions. Over 2.4 million people were severely affected, losing family members, livelihoods, homes and property. Humanitarian relief efforts focused on early recovery support and providing emergency assistance to affected communities. At the time the cyclone struck, UNDP had more than 500 project personnel working throughout the Delta, and that network provided essential logistical support to the immediate humanitarian response. UNDP went on to develop a range of community-based interventions within the ongoing integrated community development project and the microfinance project to provide early recovery support to cyclone survivors. The independent assessment noted that the role of UNDP in the formation and functioning of the coordination mechanisms (including the recovery forum under the post-Nargis recovery and preparedness plan framework, as well as the early recovery cluster) to respond to the impact of the cyclone was substantial.

10. One of the key operational challenges in Myanmar related to visa issuance and travel authorization for international personnel within the country. In May 2008, a

[1] Integrated Household Living conditions Survey in Myanmar: Poverty Profile. Ministry of National Planning and Economic Development and UNDP, 2007. p.39. In addition, the survey reported that almost 70 per cent of all family expenditure was on food (p. 56), suggesting vulnerability to the increase in food prices. This does not appear to have happened following the damage done by Cyclone Nargis.

[2] Agricultural Sector Review Investment Strategy. FAO. 2004.

Tripartite Core Group composed of representatives from the United Nations, the Association of Southeast Asian Nations, and the Government, was established to coordinate the international humanitarian response to Cyclone Nargis. The Group was granted authority to facilitate fast-track visa issuance, which helped facilitate the deployment of humanitarian workers for the cyclone relief effort, and played a central role in facilitating access for effective delivery of humanitarian assistance. However, that streamlined process was discontinued in March 2009, raising concerns about possible future delays in visa approvals for humanitarian workers involved in cyclone relief activities.

IV. Assessment of the Human Development Initiative, phase 4

A. Follow-up to 2008 recommendations

11. With regard to the implementation of the recommendations from the 2008 assessment, the mission noted that UNDP response and action on the recommendations was thoughtful and constructive, and should be seen in light of the relatively short time that had elapsed since the 2008 mission. The assessment noted progress in several areas: (a) a strategy paper had been developed for potential policy dialogue with the Government, identifying themes and issues of particular relevance as well as approaches and opportunities for pursuing the dialogue; (b) actions had been taken to develop a gender policy and strategy; and (c) a decision had been taken to link microfinance activities to self-reliance groups with the intention to provide wholesale loans to mature and capital constrained self-reliance groups.

12. The assessement mission also reported that a number of past independent assessments had called for a strategy and operational guidelines to reduce UNDP support in villages where it had been in place for a long period of time. The framework for that strategy was not yet as clear as would be desirable. An issue of concern was the phasing-out of support to the most mature self-reliance groups. The 2008 independent assessment suggested alternative criteria for assessing the maturity of self-reliance groups, and suggested further that using these alternative criteria might reveal that a significant number of self-reliance groups no longer need grant support.

B. Status of Human Development Initiative, phase 4, projects and issues

13. The *integrated community development* project was operational in 23 townships in the Dry Zone, Shan State and the Ayeyarwady Delta. The objective of the project was to strengthen the capacity of poor communities to address their basic needs, particularly those of the poor and disadvantaged. The *community development in remote townships* project operates in border states: Kachin, Chin, Kayin/Mon, and Rakhine – including northern Rakhine State – covering 26 townships. The objective of project was to strengthen the capacity of poor communities in remote border townships to address their basic needs through a participatory community development approach. The community development in remote townships project had recently been brought under the 'direct execution' modality, and further programmatic integration between the two community development projects was expected to take place.

14. The independent assessment found that the two community development projects continued to support improving the lives of the poor and disadvantaged, particularly through livelihood enhancement, access to credit, improved skills and social capital. The 3,800 self-reliance groups continued to be the centrepiece around which most

gains were achieved. As that project element involved women almost exclusively, it had significantly improved the capacity, mobility and participation of women at the household and community levels. The assessment noted the proportion of self-reliance groups whose maturity status is rated as 'medium' and 'medium high' had grown by 4 per cent and 14 per cent, respectively, over the past two years; however, there had been little or no increase in the proportion of groups whose maturity status was rated as 'high' or 'very high'. The assessment found that the proportion of groups with different maturity levels should be a management instrument to determine the intake of new self-reliance groups and the focus of support to existing groups. Innovations undertaken by UNDP and noted by the assessment as potentially promoting sustainability of the groups included joint meetings of groups from different villages to share experiences, and existing groups serving as mentors for new groups.

15. The assessment also noted that a recent UNDP outcome/impact study found that in a number of areas such as food security, access to sanitation, access to credit and livelihood inputs (seeds, fertilizers) there had been a significant improvement in project areas compared to the non-project areas selected as control groups. The study showed that 74 per cent of the beneficiaries participating in the study perceived that the UNDP projects had noticeably improved their livelihoods. The study was complemented by qualitative case studies of self-reliance groups and a participatory evaluation, which found significant gains in all areas except natural resource capital.

16. On the other hand, the studies suggested that in some critical indicators, particularly health and education, there was little difference between project villages and non-project villages. The assessment noted several methodological issues with the studies, and suggested that further analysis of the data might provide more detailed information on the impact of the Human Development Initiative.

17. Previous independent assessments had recommended improving targeting to reach the poorest households. In response, since 2007, UNDP had been implementing a 'poorest of the poor' strategy within the integrated community development project, using a modified self-reliance group concept. The project reported that at the end of 2008, 186 'poorest of the poor' groups had been formed, 26 of which had failed. The independent assessment therefore supported the intention of the country office to undertake a review of the strategy, and recommended that the review include the basic assumptions underlying the strategy to assess its relevance and effectiveness.

18. An *integrated community early recovery framework* was developed as part of the integrated community development project to assist cyclone-affected populations in the Delta townships where the project has been active. UNDP assisted integrated early-recovery programmes in 500 villages (with another 250 villages planned by 2010), in close coordination with other United Nations organizations and international non-governmental organizations. The integrated community early-recovery framework was the largest and most varied component of the integrated community development project in terms of funding and range of activities, which fell under five broad categories: (a) agriculture, fisheries and livestock; (b) livelihoods; (c) community infrastructure; (d) community capacity development; and (e) community-based disaster preparedness and risk reduction. It worked in a complex environment with over 50 other organizations operating in the Delta. The assessment found that UNDP responded quickly and was able to play a significant role in the emergency response. The assessment noted the challenges in addressing priority needs when future funding levels were uncertain. However, the assessment found that prioritization and sequencing of interventions, in view of limited and uncertain funding resources, were of paramount importance, and were recognized as such by project management.

19. In the period following the 2008 independent assessment, the Tripartite Core Group produced the post-Nargis recovery and preparedness plan, a three-year (2009-2011) framework for international assistance from emergency and early recovery, to medium- and long-term recovery. The assessment noted UNDP was an active contributor to the cluster working groups involved in developing the framework.

20. The *sustainable microfinance to improve the livelihoods of the poor* project was operational in 22 townships (including areas affected by Cyclone Nargis) and focused on disciplined, sustainable microfinance services for women micro-entrepreneurs in selected poor villages. The project showed excellent performance on standard indicators for microfinance operations such as loan recovery, efficiency, and operational and financial self-sufficiency. The assessment noted significant achievements in reviving microfinance activities in the cyclone-affected areas in the Ayeyarwady Delta, where UNDP had established or re-established relationships with 44,000 old and new clients and disbursed approximately 36,000 loans. The assessment also noted that a new loan product – housing loans – had been developed for the Delta. The project faced serious funding constraints, partly as a result of a strong demand for capital, particularly in the Delta, and the loss of loan capital from the write-off of loans as a consequence of the cyclone. The assessment further noted that the project should promote savings deposits more actively, so as to increase domestic capital mobilization, and that UNDP could engage with project management more actively to promote synergies with other UNDP projects and develop fund mobilization strategies.

21. In 2005 the *enhancing capacity for HIV/ AIDS prevention and care* project refocused its objective on strengthening the capacity of the self-help groups and raising awareness of villagers, including young adults, adolescents and men, to the risks of HIV/AIDS. The assessment noted the significant expansion of activities since then to over 120 self-help groups, including 9,000 members living with HIV/AIDS across the country, with increased assistance given to group members and their affected families. The project was integrated further into the programme management structure through the change of modality to direct execution, which the assessment expects will lead to greater coordination and impact in the project areas. A recent technical review concluded that those changes supported the 2008 independent assessment recommendation for delivering community education in cooperation with UNDP community development projects while respecting the special features of HIV/AIDS prevention and education.[3]

22. The *integrated household living conditions assessment* explored the extent, nature and causes of poverty in Myanmar through a survey involving 18,660 households throughout most of the country. Since the first round of the survey was conducted in 2005, two reports, entitled 'Poverty Profile' and 'Millennium Development Goals: Relevant Information' had been published and disseminated, providing the Government, United Nations organizations and other donors with information that could be used to develop poverty reduction strategies and programme interventions. The independent assessment noted the project was well on track for the second national household survey in 2010, which would make it possible to assess changes in the poverty situation over the past five years.

23. The independent assessment also noted several cross-cutting themes: (a) Human Development Initiative projects had a significant impact in addressing women's equality through self-reliance groups and microfinance activities, where most participants are women; (b) the country office was able to incorporate gender concerns

[3] O'Loughlin, Bill, *Enhancing Capacity for HIV/AIDS Prevention and Care*, UNDP Myanmar, Technical Review, April 2009, pp.4, 39

into its cyclone response activities by providing gender-related data and analysis; (c) the country office produced a coherent, comprehensive gender strategy and action plan which will require continued funding and management support; (d) UNDP had addressed environmental issues, although a more comprehensive review of practices could be made from a sustainable livelihoods perspective; (e) monitoring and evaluation systems continued to evolve, with the development of a comprehensive monitoring framework and establishment of a monitoring, evaluation and learning group to upgrade monitoring and evaluation approaches and methods; and (f) reporting on the integrated community development project and the community development in remote townships project improved significantly, with room for further improvement.

24. The assessment reviewed developments in programme management: (a) in response to recommendations made by previous assessments, the country office had transitioned to a new programme management structure, bringing community development projects, the HIV/AIDS project, and the integrated household living conditions assessment project under direct execution, and the microfinance project under non-government organization execution; (b) recognizing that UNDP intended to request a one-year extension of the Human Development Initiative, phase 4, the assessment recommended no change to the programme in the near term, and suggested concentrating management efforts on developing a solid preparation process for the new, post-phase 4 programme; and (c) as part of the development of new programming to succeed phase 4, UNDP would need to examine sustainability and exit strategies.

V. Conclusions and recommendations of the independent assessment

25. The 2009 mission concluded that Human Development Initiative, phase 4, was being implemented in compliance with the mandate set by the UNDP Governing Council and Executive Board and that it was effective in reaching the poor and vulnerable in rural areas of Myanmar. Areas requiring greater emphasis include: (a) increased use of the data and analysis generated by impact studies and surveys to guide programme management decisions; (b) further simplification of vulnerability assessment tools and measures to guide beneficiary targeting; (c) a more active role by country office management to direct assistance under the microfinance project; (d) continued financial and management support to the recently developed gender strategy; and (e) review and reallocation where possible of integrated community early-recovery framework funds under the integrated community development project to respond to emerging needs.

VI. Proposal for a one-year extension of the Human Development Initiative, phase 4

26. The United Nations country team in Myanmar has agreed to develop a new United Nations strategic framework to cover the period 2012-2015. United Nations organizations with ongoing programmes have agreed to align future programme activities within the proposed time frame of the strategic framework.

27. Following the launch of the revised humanitarian appeal for Myanmar and the post-Nargis Joint Assessment report in July 2008, the Tripartite Core Group commissioned the preparation of the post-Nargis recovery and preparedness plan, a three-year medium-term recovery plan to cover the period January 2009 until December 2011. The purpose of the plan is to provide the strategic and multi-sectoral

framework for international assistance to support the transition from emergency relief and early recovery towards medium-term community-based recovery across eight operational sectors. The plan also includes a coordination structure designed to promote maximum effectiveness and tracking of aid.

28. UNDP requests a one-year extension, to 2011, of the current three-year (2008-2010) phase 4 extension period so as to ensure (a) harmonization of UNDP programming with that of other United Nations organizations in preparing for the proposed strategic framework for 2012-2015, to be developed by the United Nations country team; and (b) the continuity of UNDP activities within the timeframe of the post-Nargis recovery and preparedness plan that will guide the international response to Cyclone Nargis until the end of 2011. UNDP will continue to implement its activities in line with the programme focus endorsed by the Executive Board in decision 2007/36.

VII. Funding requirements

29. In its decision 2007/36, the Executive Board authorized the Administrator to allocate an estimated amount of $24.1 million from regular budget resources, and $24.9 million from other resources mobilized for the period 2008-2010. The revised regular resources funding requirement for 2008-2011 is estimated at $38.9 million. That amount includes one additional year of regular resources funding in 2011 – consistent with the previous authorization under Executive Board decision 2007/36 – and a further $6.8 million to offset unanticipated core resources allocations to support the response to Cyclone Nargis. The corresponding other ('non-core') resources needs are estimated at $65 million for the period 2008-2011. The revised regular and other resources funding requirements for 2008-2011 are inclusive of the $24.1 million regular and $24.9 million other resources authorized by the Executive Board in decision 2007/36.

United Nations DP/2009/35

Executive Board of the
United Nations Development
Programme and of the
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Item 4 of the provisional agenda
Country programmes and related matters

Extensions of country programmes

Note of the Administrator

Summary

The present note contains information on the first one-year extension of the country programme for the Libyan Arab Jamahiriya. First one-year extensions are submitted to the Executive Board for information. Requests for second or third one-year extensions of country programmes, as well as two-year extensions, are submitted to the Executive Board for approval.

Elements of a decision

The Executive Board may wish to take note of the first extension of the country programme for the Libyan Arab Jamahiriya for a period of one year, from 1 January 2010 to 31 December 2010, as reported in table 1.

09-40310 (E) 200709

Annex

Table 1. Extensions of country programmes approved by the Administrator since June 2009

Country	Original CCF period	Year(s) proposed for new extension	Reason and explanation		
			United Nations harmonization	In-country political development	Implementation and/or other issues
The Libyan Arab Jamahiriya	2006 - 2009	2010			Major national reforms announced in early in 2008 have prompted a reprioritization of the UNDP Libya programmes and projects. UNDP and the Government of Libya are engaging with national stakeholders to develop a national strategic document that will form the basis for the next UNDP country programme. Given the time needed for this rigorous engagement process with national stakeholders, it is estimated that the earliest the country programme can be submitted to the Executive Board for approval is March 2010, in time for the new country programme to be effective from January 2011.

CCF = Country cooperation framework
UNDAF = United Nations Development Assistance Framework

United Nations DP/2009/36

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United Nations Office for Project Services

United Nations Office for Project Services strategic plan, 2010-2013*

Contributing to the results of partners

Summary

The strategic plan, 2010-2013, of the United Nations Office for Project Services (UNOPS) focuses and articulates the niche and role of the organization as a provider of management services that contribute significantly to United Nations peacebuilding, humanitarian and development operations. Guided by a set of core values and principles, the strategic plan identifies high-level goals to which UNOPS will contribute and anticipates the demand for its services. It sets out to build an organization capable of satisfying partners in its focus areas with management services that meet world-class standards of quality, speed and cost-effectiveness.

Elements of a decision

The Executive Board may wish to: (a) take note with appreciation of the consultative process engaged in formulating the strategic plan, 2010-2013; (b) endorse the strategic plan as proposed by the Executive Director; and (c) recommend that the General Assembly and its Economic and Social Committee authorize the Executive Director to sign direct service or host-country agreements with governments and appoint UNOPS representatives.

*The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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Contents

Chapter		*Page*
I.	Introduction	4
II.	Context	5
	A. United Nations reform and high-level policy direction	5
	B. Lessons learned implementing the business strategy, 2007-2009	6
III.	Strategic direction	7
	A. Mission and vision statements	7
	B. Fundamental values and principles	7
	C. UNOPS business model and role	8
	D. Evolving demand and opportunities for UNOPS services	9
IV.	Operational results framework	13
	A. Introduction	13
	B. Cross-cutting concerns	14
	C. Contribution goal 1: Rebuilding peace and stability after conflict	15
	D. Contribution goal 2: Early recovery of communities affected by natural disasters	15
	E. Contribution goal 3: Ability of people to develop local economies and obtain social services	16
	F. Contribution goal 4: Environmental sustainability and adaptation to climate change	16
V.	Management results framework	17
	A. Introduction	17
	B. The partner perspective	17
	C. The business process perspective	19
	D. The people perspective	19
	E. The financial perspective	20
VI.	Implementation: independent oversight and advice	21
	A. Introduction	21
	B. Independent oversight	21
	C. Independent advice	22
	2. Management results framework	

"UNOPS plays a critical role in providing management services for our life-saving peacebuilding, humanitarian and development operations. I have seen many examples of how these activities help suffering people in troubled parts of the world. UNOPS is setting countries on course to a more stable future by helping them to build roads, schools and clinics, to remove landmines, to prepare for democratic elections, and much else besides.

"I encourage you to continue deepening your ties with other members of the United Nations family so we can truly 'deliver as one'. I am also counting on you to continue working well with Governments, non-governmental organizations and partners such as the international financial institutions. The world faces serious challenges, and our Organization must put its best face forward if we are to help the people we exist to serve."

Ban Ki-moon, United Nations Secretary-General

Address at the official opening of UNOPS headquarters in Copenhagen

25 May 2009

I. Introduction

1. The UNOPS strategic plan, 2010-2013, focuses and articulates the role of the organization as a provider of management services that contribute significantly to United Nations peacebuilding, humanitarian and development operations. The success of UNOPS will be measured by its ability to be a consistently reliable and trusted implementation partner to United Nations organizations, international financial institutions, governments and non-governmental organizations, and ultimately by how it advances the efforts of partners to improve the lives of people in need.

2. Focusing UNOPS activities enables the organization to take optimum advantage of opportunities to complement the mandates and capacities of other United Nations entities. It also permits UNOPS to invest in the management policies, tools and people necessary to perform work at world-class standards. This must be done while ensuring the viability of the organization as a self-financed entity.

3. Guided by a set of core values and principles, the strategic plan identifies high-level goals to which UNOPS will contribute, and the anticipated demand for its services. It is based on the belief that, in many instances, a UNOPS shared-service approach is more beneficial to members of the United Nations family than if each were to create or extend its own operational capacity. It is also premised on demand by governments for support to deal with capacity constraints, and the need to help them develop implementation capacity.

4. The choices identified in the strategic plan take into account the operational constraints of the United Nations system and seek opportunities in that context. The plan is informed by close interaction with UNOPS stakeholders and reflects the policy direction of the United Nations, high-level policy agreements among donors and developing countries, and research on trends in demand and leading practices.

5. In the spirit of United Nations coherence, the plan assumes a UNOPS without political, policy or substantive mandate. UNOPS must avoid overlapping with, or being perceived to duplicate mandates of the United Nations Secretariat, the funds, programmes or specialized agencies. Instead, UNOPS will partner with and complement other members of the United Nations system by contributing its implementation expertise.

6. The strategic plan recognizes UNOPS commitment to operating in a transparent, accountable manner and emphasizes the need to communicate openly and clearly with stakeholders.

7. UNOPS has aligned its strategic planning cycle with partner organizations in the United Nations Development Group (UNDG).

8. The global financial crisis weighs heavily on the strategic plan. As global official development assistance and United Nations funding may shrink, UNOPS must anticipate that United Nations partners may be less inclined to outsource implementation. Nevertheless, as concern for savings grows, the cost efficiency of UNOPS should afford new opportunities. Equally, UNOPS will have to demonstrate its ability to meet new demands created by global issues that affect people living in poverty, such as climate change, pandemics and shortages of food and energy.

II. Context

A. United Nations reform and high-level policy direction

9. Several policy documents offer guidance and identify opportunities for UNOPS; the most important are summarized below.

United Nations system coherence and management reforms

10. UNOPS is committed to helping improve United Nations system coherence and efficiency. At the country level, significant progress has already been made through participation in United Nations country teams and associated instruments such as common country assessments and United Nations Development Assistance Frameworks (UNDAFs). More attention is needed to Regional Teams that provide quality assurance and oversight of development activities at the regional director level. UNOPS will also contribute actively to relevant UN/UNDG-led working groups and other interagency mechanisms that can benefit from UNOPS operational perspectives on policy work.

11. In his report to the General Assembly on accountability, risk management and results-based management, the Secretary-General underscored the efficiency and effectiveness of United Nations operations[1]. As a service provider. UNOPS must promote the efficient use of resources to achieve results while managing risks of different types.

12. The report of the Secretary-General on peacebuilding in the immediate aftermath of conflict[2] defines a framework in which UNOPS can contribute to the United Nations goals of more actively, visibly and expeditiously building stability and demonstrating peace dividends to affected populations. The integrated mission concept and United Nations system coherence – expanded to partnerships with the World Bank, regional development banks and the donor community – are essential in this endeavour.

The triennial comprehensive policy review

13. The General Assembly created the triennial comprehensive policy review to improve the relevance to development of United Nations operational activities and to increase their effectiveness in support of developing countries.

14. The current triennial comprehensive policy review [3] emphasizes national ownership and the leadership of developing countries. It highlights the significance of a neutral United Nations and recognizes that United Nations reform at the country level must reflect local conditions. It acknowledges the added value of different United Nations development institutions and stresses effectiveness of development results over mere processes. It underscores the importance of the resident coordinator system, United Nations country teams and the UNDAF.

High-level policy agreements

15. The triennial comprehensive policy review conforms with the outcome of the High Level Forums on Aid Effectiveness held in Paris, in 2005, and Accra, in 2008.

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[1] A/62/701, 19 February 2008, Accountability framework, enterprise risk management and internal control framework, and results-based management framework. Report of the Secretary-General.

[2] Requested by the Security Council in 2008; available in draft.

[3] A/RES/62/208 dated 14 March 2008.

16. The Paris Declaration[4] presents detailed partnership commitments and indicators of progress, including targets for the principles of national ownership and the use of country systems; alignment; harmonization; managing for results; and mutual accountability. UNOPS incorporated those principles into its business strategy, 2007-2009, and has developed its ability to report on management and operational results. These efforts will be further strengthened in the present strategic plan.

17. The Accra Agenda for Action[5] provides a road map to the 2010 deadline for implementing the Paris Declaration and further concentrates on fragile states. The Accra document and the 10 principles of "good international engagement in fragile states and situations" are of particular relevance to UNOPS peacebuilding and humanitarian work[6]. UNOPS will also be guided by the Sphere minimum standards in disaster response.[7]

B. Lessons learned implementing the business strategy, 2007-2009

18. The UNOPS business strategy, 2007-2009, focused on rebuilding financial viability through improved partner satisfaction, the introduction of world-class business practices and performance, and increased workforce competence and motivation.

19. As reported in UNOPS annual reports for 2007 and 2008[8], and highlighted in the new management results framework in chapter V, below, much has been achieved. UNOPS is now a more active and effective contributor to United Nations country teams; its financial viability has been demonstrated for three consecutive years; accountability and transparency have improved; risk management, internal controls and oversight have been strengthened; the last biennial audit was unqualified; and there is greater coherence, consistency, collaboration and professionalism throughout the organization.

20. UNOPS has improved its ability to manage for and report on contributions to the results of the United Nations peacebuilding, humanitarian and development work as well as on its management results.

21. In achieving that progress, the organization has applied many 'lessons learned'. One is that deep cultural change and improved business practices take time and require patience and persistence. Such change entails investment, difficult for any organization – especially a fully self-financed one – and even more so for UNOPS, which has had to cover major liabilities from earlier periods. Probably the most important insight is that, to be more useful, UNOPS must better understand the rapidly evolving environments in which it works, and the needs of its partner organizations, positioning itself accordingly.

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[4] http://www.oecd.org/dataoecd/11/41/34428351.pdf

[5] http://www.oecd.org/dataoecd/58/16/41202012.pdf

[6] The basics: take context as the starting point; do no harm. The role of state-building and peacebuilding: focus on state-building as the central objective; prioritize prevention; recognize the links between political, security and development objectives; promote non-discrimination as a basis for inclusive and stable societies; align with local priorities in different ways in different contexts; agree on practical coordination mechanisms between international actors; act fast … but stay engaged long enough to give success a chance; avoid pockets of exclusion.

7 http://www.sphereproject.org/content/view/27/84

8 http://www.unops.org/SiteCollectionDocuments/Annual%20reports%20-%203%20languages/UNOPS-Annual-Report-07-EN.pdf

http://www.unops.org/SiteCollectionDocuments/Annual%20reports%20-%206%20languages/Annual-Report-EB-2008-EN.pdf

III. Strategic direction

A. Mission and vision statements

22. In condensed form, the UNOPS strategic direction could be formulated through statements of mission and vision:

(a) The *UNOPS mission* is to expand the capacity of the United Nations system and its partners to implement peacebuilding, humanitarian and development operations that matter for people in need.

(b) The *UNOPS vision* is to always satisfy partners with management services that meet world-class standards of quality, speed and cost-effectiveness.

B. Fundamental values and principles

23. The UNOPS value set stems from several core sources. Of paramount importance is the United Nations Charter and associated fundamental, internationally accepted values and principles. These are essential for building an organization deserving of the respect and support of its stakeholders. These values shape the UNOPS culture and guide the behaviour of personnel as they conduct business and adapt to changing environments.

24. Central to UNOPS are its commitments to contribute to United Nations operations and to help deliver concrete results that improve people's lives. The path towards these goals is charted in the Millennium Declaration, which states: "We will spare no effort to make the United Nations a more effective instrument for pursuing all of these priorities: the fight for development for all the peoples of the world; the fight against poverty, ignorance and disease; the fight against injustice; the fight against violence, terror and crime; and the fight against the degradation and destruction of our common home."

25. While but one instrument in the vast United Nations toolbox, UNOPS must effectively advance these worthy ambitions of its Member States. The strategic plan focuses on how best to contribute to Millennium Development Goals and realize the values of the Millennium Declaration.

26. Another source of principles relevant to UNOPS is the Global Compact. It asks companies to embrace, support and enact, within their spheres of influence, a set of core values regarding human rights, labour standards, the environment, and anti-corruption. While the Global Compact specifically addresses the private sector and promotes values intrinsic to all United Nations operations, the approaches it takes to reporting and independently verifying adherence offer inspiration for UNOPS.

27. The emphasis on national ownership and capacity in the General Assembly decision on the triennial comprehensive policy review should make the United Nations development system more effective. Specifically, the triennial comprehensive policy review calls upon the United Nations to coordinate its work at the country level, harmonize its business practices and reduce transaction costs. Those goals afford UNOPS the opportunity to contribute to the operational effectiveness and results of its partners.

28. At the level of individual staff members and other personnel, the proposed United Nations Code of Ethics[9] guides and nurtures independence, loyalty, impartiality, integrity, accountability and respect for human rights.

[9] Issued in draft by the Secretary General on 30 March 2009, for submission to the General Assembly in 2009.

29. Against this background, UNOPS commits to the following core values and principles as the foundation for its organizational culture and operations:

(a) *Accountability for results and the efficient use of resources.* Maximum contribution to results of United Nations development, humanitarian and peacebuilding operations; positive, tangible impact on people's lives; timely, thorough financial and operational results reporting; transparency; demonstrated management effectiveness and efficiency; and unsurpassed ethical standards.

(b) *Respect of national ownership and capacity.* Serving governments, directly or indirectly, through work for the United Nations family, international financial institutions or non-governmental organizations. Developing and complementing, but never displacing, national capacity.

(c) *Harmonization within the United Nations and beyond.* As a system partner, playing by shared basic rules and contributing to the whole.

30. Based on those fundamental principles, common to many partner organizations, the culture of UNOPS and the conduct of its personnel will reflect professionalism and a collective commitment to meeting operational needs on the ground. Hence a fourth UNOPS principle will be:

(d) *Service to others.* Providing services with no agenda other than to contribute implementation expertise towards partners' results.

C. UNOPS business model and role

31. The UNOPS business model is unique within the United Nations system. While many partner organizations have become increasingly dependent on additional resources to supplement assessed or voluntary contributions for their core structures or operations, UNOPS is completely dependent on fees generated. While other parts of the United Nations system have the ability to offer management services in addition to their policy mandates, only UNOPS has the exclusive purpose of providing services. This has far-reaching implications for the positioning and functioning of the organization with its partners.

32. Through the strategic plan, the role and niches of UNOPS within the United Nations family should be well established and widely accepted. Essential elements of this objective include:

(a) *Transparent, accountable management services meeting the highest international standards.* UNOPS partners are assured consistent performance to agreed standards of quality, timeliness and cost, and safeguards against implementation risks.

(b) *External recognition through certification of core management functions, business processes and staff performing those functions.* UNOPS partners and vendors thus enjoy business practices reflecting leading international standards.

(c) *A proven track record of contributions to the operational results of the United Nations in peacebuilding, humanitarian and development operations.* This gives partners information on UNOPS and confidence in its performance.

(d) *Systematically collected and shared knowledge in UNOPS focus areas.* This offers added value to the design and implementation of projects.

33. As part of the United Nations 'delivering as one' effort, UNOPS must avoid any perception of 'mandate creep' or overlap, and will not challenge the role of any United Nations organization in the political or policy areas. UNOPS will offer implementation services that permit others to reduce risks; improve speed, quality or cost-effectiveness, and focus on their policy-oriented mandates and core competencies.

34. Another characteristic of UNOPS appreciated by many partners is its low-key posture as a service provider. While partners may need a public image for fundraising, advocacy or other purposes, UNOPS seeks partners' satisfaction and contributions to their results.

35. UNOPS is unique within the United Nations system; however there are other service providers in the same market[10]. UNOPS will sometimes compete and sometimes collaborate with them. UNOPS looks to the best of private- and public-sector practices in leadership and management. It measures its performance against the best comparable private- and public-sector entities.

36. But UNOPS also differs from private companies. UNOPS is a not-for-profit organization and its margins only manage the financial risks of its portfolio. There is no financial return on investment to 'owners'; UNOPS is motivated to meet the expectations of stakeholders, not shareholders. It differs from private firms by virtue of its membership in the United Nations family, by maintaining a physical presence on the ground during periods of conflict or crisis, and by promoting the ownership and engagement of governments and local communities. UNOPS always adheres to United Nations values and principles.

37. Acceptance by UNOPS of new engagements will depend on their conformity with the values and principles of the organization, alignment with UNOPS focus – including the advancement of Contribution Goals (see chapter III) – and their financial viability.

D. Evolving demand and opportunities for UNOPS services

38. UNOPS will target opportunities where operational capacities are lacking or where the United Nations would benefit from additional capacity through shared-service approaches[11]. UNOPS will work closely with stakeholders to define and strengthen its role as a shared-service provider to the United Nations system and as a service provider to international financial institutions, governments and non-governmental organizations.

39. UNOPS understands that most United Nations entities have in-house implementation capacity and often claim internal reasons for maintaining such functions. This could apply to highly decentralized organizations with independently operating country offices, as well as to the centralized procurement functions of the United Nations Secretariat, funds and programmes or specialized agencies where in-house capacity is favoured over shared-service opportunities. Similarly, UNOPS recognizes that partner agencies have lead-agency capacity for procurement in certain areas, such as the Word Food Programme for food, the United Nations Children's Fund (UNICEF) for vaccines and UNFPA for reproductive health items.

40. It is the responsibility of UNOPS to convince others of the comparative value of its services in selected areas, the potential benefits to the United Nations of specialization, and the economies of scale associated with shared services. For various reasons, this has been difficult in the past. With its strategic plan, UNOPS renews this effort and seeks support from Member States seeking to improve the efficiency of the United Nations.

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[10] For example, the International Organization for Migration, the German Organization for Technical Cooperation, Crown Agents.

[11] The terms 'common services' and 'shared services' are sometimes used interchangeably. Shared services differ from common services in that they are not jointly managed by the participating organizations. Instead they are managed by an individual organization, which sells such services to other interested organizations. The purpose is to:

(a) efficiently support the delivery of the country based programme activities;
(b) facilitate cost savings and avoid cost for United Nations organizations;
(c) reduce transaction costs for governments, partners and subcontractors; and
(d) increase harmonization and coherence between the different United Nations entities and between the United Nations system and the external environment.

Administrative Management of the Resident Coordinator System – Guidelines for the Resident Coordinator System
http://www.undg.org/archive_docs/3594-ACC_Guidelines_on_Administrative_Mangement_of_the_RC_System.pdf

41. Each of the three operational contexts – peacebuilding, humanitarian and development – offers distinct challenges and opportunities. UNOPS operational niches in these areas will derive from strong partnerships with key players.

42. In the *peacebuilding* arena, UNOPS is poised to expand its successful support to mine action in partnership with the United Nations Mine Action Service (UNMAS) of the United Nations Department of Peacekeeping Operations(DPKO) into: public order and security; United Nations mission needs relating to infrastructure and engineering; speedy recruitment of critical mission personnel; and election support. The framework for such collaboration is reflected in a 2008 memorandum of understanding with the United Nations Controller. Two agreements signed with the World Bank in 2008 present a platform for expanding post-conflict work. UNOPS should participate in post-conflict needs assessment missions as an implementation expert in physical infrastructure, public order and security, and election logistics.

43. On the humanitarian front UNOPS will supplement existing organizational capacities within and beyond the United Nations. UNOPS will not focus on emergency relief (with the possible exceptions of related procurement and infrastructure work), but on early recovery, concentrating on infrastructure reconstruction and income generation. UNOPS should join post-disaster needs assessment missions as the physical infrastructure expert and participate in high-level United Nations coordination as well as humanitarian clusters.

44. Change is expected in the development area, with stronger leadership of resident coordinators at the country level and increased channelling of resources directly to governments. There is evidence of increased demand by those governments for UNOPS services, and this trend is expected to continue. UNOPS will accept engagements when they conform to UNDAFs, are supported by the resident coordinator, and are in line with its own focus.

45. UNOPS organizes itself around partner demand for management and implementation support services. Each service will be coordinated by a 'global practice leader', who will mobilize personnel throughout the organization to ensure quality of service and knowledge-sharing. This focus on selected practices will enable UNOPS to make the necessary investments for performance at world-class standards.

Management practices

46. The four UNOPS management practices are project management, procurement, human resources, and financial management. These are long-term fixtures of UNOPS that will remain in place for the duration of the strategic plan. However, they will adapt to evolving demands such as for national capacity development, and in response to improved international standards.

47. *Project management*. UNOPS can manage small or large-scale, complex operations in peacebuilding, humanitarian and development environments. Opportunities include:

(a) time-sensitive 'peace dividends' projects in post conflict environments;
(b) early recovery of communities affected by natural disasters;
(c) gaps in national implementation capacity in low and middle-income countries; and
(d) support to development of national implementation capacity.

48. *Procurement* supports project management with critical inputs and offers direct procurement services to partners. Procurement of goods and services has increased significantly and should continue to rise with the trend towards direct budgetary support coupled with greater emphasis on transparency and accountability. Opportunities include:

(a) procurement of common-user items, such as vehicles, and security, communication and office equipment, typically through e-procurement on the United Nations WebBuy platform;

(b) procurement of election, health/medical, and water supply and sanitation goods;

(c) procurement of infrastructure-related services;

(d) hosting of the United Nations procurement portal, the Global Marketplace;

(e) public procurement for governments with capacity constraints (including the ability of UNOPS to work within the procurement rules and procedures of partners, and to assist with distinct elements of procurement processes);

(f) leadership in sustainable (green) procurement; and

(g) support to development of national implementation capacity.

49. *Human resources* support project management with critical inputs and provide direct services to partners. Direct services could potentially expand as shared-services for the United Nations family. Opportunities include:

(a) rapid deployment in conflict and emergency response, typically with the help of pre-approved rosters and standby agreements;

(b) recruitment and administration of office and project staff; and

(c) engagement and administration of other personnel, such as individual contractors.

50. The *financial management* practice has experienced shifts in demand in line with donor desire to pool resources and increased direct budgetary support. When performing fund management services UNOPS, respects the leading role of UNDP in administration of multi-donor trust-funds on behalf of UNDG. To date this has not been an issue, and UNOPS will ensure that remains the case. There are nonetheless situations where UNOPS may be asked to:

(a) administer multi-donor trust funds when not in competition with UNDP or specialized United Nations agencies;

(b) supervise and/or support administration of donor grants or loans implemented by national authorities or international organizations;

(c) carry out capacity assessments of implementing partners;

(d) ensure timely, transparent fund disbursements; and

(e) support the development of national implementation capacity.

Implementation support practices

51. Implementation support practices are thematic, sectoral or programmatic in nature. The very term indicates UNOPS role: offering implementation services to partners who have political, policy or substantive mandates. Implementation support practices are demand-driven and therefore subject to change. Some new practices may arise during the period of the strategic plan and demand for others may decline. UNOPS will review the suitability of its practices annually.

52. The strategic plan will commence with five implementation support practices: physical infrastructure; public order and security; census and elections; the environment; and health.

53. *Physical infrastructure* is the largest implementation support practice of UNOPS and where it has 'lead agency' status in the United Nations system. Strong partnership potential exists within the United Nations (such as with the UNDPKO Department of Field Support, the Department of Management, the Office for the Coordination of Humanitarian Affairs, UNDP, UNFPA, UNICEF and UN-Habitat) and with selected international financial institutions and governments. Opportunities include:

(a) participating effectively, as the UN physical infrastructure expert, in post-conflict and post-disaster damage- and needs-assessment missions and clusters;

(b) designing and constructing, including related local capacity development, of buildings; rural roads and bridges; irrigation and water/sanitation systems, and energy plants;

(c) managing or supporting infrastructure and engineering works for United Nations missions and compounds;

(d) establishing sustainable maintenance mechanisms for infrastructure investments; and

(e) leading in sustainable (green) infrastructure.

54. *Public order and security* will form a new practice as of 2010, expanding the mine action practice to include areas in which UNOPS has experience and where increased demand is expected through partnerships with DPKO, UNDP, the United Nations Office on Drugs and Crime, the World Bank and governments. Opportunities include:

(a) security sector reform

(b) public order and justice facilities such as police stations, prisons, courthouses and border crossings;

(c) procuring goods, such as vehicles and communication equipment;

(d) humanitarian mine action and removal of unexploded ordnance;

(e) disarmament, demobilization, and reintegration of ex-combatants;

(f) return, reintegration, and recovery of internally displaced people; and

(g) related development of national implementation capacity.

55. *Census and elections* is an existing practice with further potential for close partnerships especially with the Electoral Assistance Division of the Department of Political Affairs, UNDP and UNFPA. While UNOPS has experience in a complete range of election services, in the future it intends to focus on the following opportunities:

(a) procuring goods, such as voting booths and ballot boxes;

(b) handling logistics;

(c) recruiting and administering support personnel;

(d) supporting infrastructure, such as polling stations;

(e) supporting electoral observer missions; and

(f) related development of national implementation capacity.

56. The *environment* is a support practice with a partner-facing role, especially through partnerships with the United Nations Environment Programme (UNEP) and UNDP, and through them the Global Environment Facility. It also has an internal role supporting the UNOPS aspiration to lead in sustainable (green) procurement and infrastructure, and to advise other practices on environmental considerations. Opportunities include:

(a) managing or providing critical inputs to country, regional and global projects to mitigate climate change;

(b) rehabilitating environments in post-crisis settings;

(c) implementing international waters, biodiversity, protected areas and land management initiatives;

(d) managing small grants; and

(e) related development of national implementation capacity.

57. *Health* is a practice that has grown in importance for UNOPS over the past three years. Expanded partnership potential exists with UNDP, UNICEF, UNFPA, the World Health Organization, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Bank and governments. Opportunities include:

(a) procuring pharmaceuticals, medical equipment and ambulances;

(b) partnering with global supply-chain management providers and designing service packages readily available to governments;

(c) constructing hospitals, clinics, laboratories and warehousing facilities;

(d) providing fund management support; and

(e) related development of national implementation capacity.

Interaction among practices

58. Synergies exist between management practices and implementation support practices. The most important of these are reflected in the table below. Any additional implementation services (outside the five implementation support practices) will be limited in scope to the most critical partner demand, and accepted only if within UNOPS management practice areas and supporting one of its contribution goals. As demand increases, some work not initially within the focus areas may graduate to implementation support practice status.

	Project management	Procurement	Human resources administration	Financial management
Infrastructure	X	X	X	
Public order and security	X	X	X	
Census and election		X	X	
Environment	X	X	X	X
Health		X	X	X

IV. Operational results framework

A. Introduction

59. Managing for and reporting on operational results[12] confront United Nations organizations with common methodological challenges. For UNOPS, the added complication is that as a service provider it contributes operational results to the credit of its partners. This has encouraged a decision to report UNOPS contributions to results at the output level. However, as project outcomes and their impact on the livelihoods of people and communities are more telling, UNOPS will, in collaboration with its partners, measure and report such contributions to the extent possible (see annex 1, methodological note).

60. During 2007-2009, UNOPS organized its contributions under nine core sectors in support of peacebuilding, humanitarian assistance and development. Those sectors reflected the United Nations peacebuilding inventory concluded in 2006; requirements for humanitarian assistance following natural disasters; and the Millennium Development Goals.

[12] Normally referred to as 'development results'; UNOPS is using the broader term 'operational results' to reflect also peacebuilding and humanitarian results.

61. During 2010-2013, four high-level goals will define the work of UNOPS. They are labelled 'contribution goals' since UNOPS contributes to the work and results of its partners. The goals match UNOPS core competencies with demand and opportunities for its services. Contributions will be recorded in the operational results framework, as indicated below.

B. Cross-cutting concerns

62. There are methodological challenges to managing for and reporting on mainstreamed or cross-cutting outcome objectives, such as the three targeted by UNOPS – gender, capacity development and the environment. Addressing these will require special attention and close collaboration with partners. They cover all four contribution goals and their respective progress will to the extent possible be measured for each goal.

63. *Gender equality and the empowerment of women* are keys to development as well as worthy, rights-based goals on their own. They are the focus of Millennium Development Goal 3; they affect other goals; and they are essential to peacebuilding and humanitarian relief and recovery. UNOPS emphasizes gender equality and the empowerment of women in its efforts and will measure and report on its contributions accordingly. Such efforts will benefit from the relevant policy capacity of partners.

64. *National capacity development* is a central objective of the operational activities of the United Nations system. UNOPS complements the efforts of United Nations partners towards this goal by providing relevant services and sharing its knowledge and experience[13]. UNOPS focuses on excellence in implementation, an area of high demand and often low national capacity, especially in fragile states. The organization has extensive operational expertise and is well positioned to help develop the implementation capacities of national counterparts. UNOPS will focus on project management, procurement, and financial management, including infrastructure design and construction as well as maintenance capacity to safeguard investments. UNOPS will measure and report on its contributions to national capacity development together with its partners. It will be guided in this role by UNDP documentation and other sources of leading practice.

65. Governments increasingly request UNOPS support to supplement their own capacities, and UNOPS service offerings must be sensitive to short- and longer-term requirements and implications. When appropriate, UNOPS will move from managing full projects or complete procurement processes, and concentrate instead on temporarily filling critical gaps in national implementation capacity which could delay or otherwise endanger critical national initiatives.

66. *Environmental sustainability* is of global concern, and people living in poverty are likely to bear the brunt of environmental and other hazards, including the depletion of natural resources and the effects of climate change. While environmental sustainability is the focus of Millennium Development Goal 7, it affects several of the other goals. UNOPS will target environmental sustainability and climate change as a contribution goal, and will mainstream sustainable procurement and sustainable infrastructure across all contribution goals and practices.

[13] General Assembly resolutions 59/250, paragraph 22(f) and 62/208, paragraph 36, World Summit outcome document (September 2005),,UNDG position statement (October 2006), and Executive Board decision 2005/36 provide the foundation for UNOPS engagement in national capacity development.

C. Contribution goal 1: Rebuilding peace and stability after conflict

67. Contribution goal 1 supports the creation of conditions that foster sustained peace and development in post-conflict situations and fragile states. It will be measured against six operational outcome objectives, three of which deal with cross-cutting concerns.

1.	**Rebuilding peace and stability after conflict**
	Contribute to:
	1.1. Security and public order
	1.2. Justice and reconciliation
	1.3. Rehabilitation and reconstruction of post-conflict areas
	1.4. Gender equality and the empowerment of women
	1.5. Enhanced national capacity
	1.6. Environmental sustainability

68. UNOPS services in support of this goal involve the rehabilitation and reconstruction of conflict-affected areas, with special priority on time-sensitive projects that demonstrate peace dividends to affected populations. They include the reintegration of internally displaced persons, returnees and refugees; removal of mines and unexploded ordnance; disarmament, demobilization and reintegration of ex-combatants; civilian police, justice, and local governance, requiring construction of police stations, courthouses, prisons and other government buildings; schools and health-facilities; and related capacity development. Support to elections is often essential to restoring peace after conflict. The management of public works, such as water supply and sanitation, power plants, irrigation systems and transportation, present opportunities. Care will be taken to ensure that design, implementation and maintenance capacities are enhanced in public works departments and other local institutions.

69. To facilitate an appropriate response, UNOPS must build trust with partners in the United Nations system, the World Bank and governments. UNOPS will seek to participate in post-conflict needs assessment missions as the expert on physical infrastructure, public order and security, and election logistics.

70. Special attention will go to environmental issues related to physical infrastructure, and UNOPS will emphasize gender equality and the empowerment of women in post-conflict settings.

D. Contribution goal 2: Early recovery of communities affected by natural disasters

71. Contribution goal 2 focuses on early recovery, which follows the relief phase and sets the stage for rehabilitation, ideally with the objective of 'building back better'. It will be measured against four operational outcome objectives (see table below).

2.	**Early recovery of communities affected by natural disasters**
	Contribute to:
	2.1. Rehabilitation and reconstruction of affected areas
	2.2. Gender equality and empowerment of women
	2.3. Enhanced national implementation capacity
	2.4. Environmental sustainability

72. UNOPS will target services to support infrastructure damage assessments, followed by rehabilitation and reconstruction of affected areas. This could include shelters and housing, roads and bridges, schools and health facilities, water supply and sanitation systems, and government buildings. Special efforts will be made to stimulate local employment and capacity development. Labour-intensive works, job training, support to local contractors and credit schemes will help restart local economies. Dealing with environmental consequences, in collaboration with UNEP, represents another opportunity. In all of this, gender equality issues are fundamental.

73. To facilitate such contributions, UNOPS will participate in post-disaster needs assessment missions and humanitarian clusters as the physical infrastructure expert of the United Nations, and in high-level coordination (IASC). Partnerships within the UN systems will be essential in establishing UNOPS role in disaster response.

E. Contribution goal 3: Ability of people to develop local economies and obtain social services

74. Contribution goal 3 supports six of the eight Millennium Development Goals: eradication of extreme poverty and hunger; achievement of universal primary education; promotion of gender equality and empowerment of women; reduction of child mortality; improvement of maternal health; and combating HIV/AIDS, malaria and other diseases. It will be measured against six operational outcome objectives.

3.	**Contribute to the ability of people to develop local economies and obtain social services**
	Contribute to:
3.1.	Local economic development
3.2.	Universal primary education
3.3.	Improved health care
3.4.	Gender equality and empowerment of women
3.5.	Enhanced national capacity
3.6.	Environmental sustainability

75. The UNOPS contribution will focus on economic development and social services at the local level. These would typically include physical infrastructure, such as rural access roads, schools, clinics and local government buildings, income generation and procurement of health-related goods. All three cross-cutting issues are of fundamental importance to this goal.

F. Contribution goal 4: Environmental sustainability and adaptation to climate change

76. Contribution goal 4 supports Millennium Development Goal 7: Ensure environmental sustainability. It will be measured against four operational outcome objectives.

4.	**Contribute to environmental sustainability and adaptation to climate change**
	Contribute to:
4.1.	Environmental sustainability

4.2. Adaption to climate change
4.3. Gender equality and empowerment of women
4.4. Enhanced national capacity

77. UNOPS will offer services that help implement climate change adaption activities, address the environmental consequences of natural disaster or conflict, protect bio-diversity, international waters and vulnerable areas, implement sustainable energy solutions, and support small grants aimed at non-governmental and community-based organizations. In doing so, special attention will be paid to gender and to strengthening national implementation capacities.

V. Management results framework

A. Introduction

78. The strategic direction outlined in chapter III includes a vision for UNOPS as a reliable, trusted implementation partner with world-class quality performance. The management results framework will help UNOPS implement this vision by 2013. It maps goals and strategic performance objectives. Balanced scorecards with key performance indicators will drive action and measure performance for UNOPS at all levels of the organization. They will link to target agreements with individual managers and staff.

B. The partner perspective

79. UNOPS stakeholders, including Member States and partners, demand the best, and UNOPS must meet or exceed expectations in a responsive, reliable and innovative manner. UNOPS will emphasize high-quality service in its focus areas. Three strategic goals and five strategic performance objectives have been identified to achieve this.

1. Partners
1.1 Enhanced accountability and transparency
1.1.1. Deliver services that meet or exceed expectations
1.1.2. Improve communications
1.2. UNOPS becomes a choice service provider
1.2.1. Build strong strategic partnerships
1.2.2. Lead in physical infrastructure and procurement
1.3. Enhanced ability to serve governments
1.3.1. Enhance national implementation capacities

Goal 1.1. Enhanced accountability and transparency

80. Partner perceptions of UNOPS improved dramatically in 2007 and 2008. Priorities for the strategic plan include perfecting the timeliness and quality of results and financial reporting. This requires investments in tools, such as in the reporting platform, and in people.

81. UNOPS communications have progressed demonstrably with, among other steps, the introduction of a new public website and a new logo. The organization must ensure that it continues to enhance its ability to deliver clear, accurate communication materials. In particular, UNOPS will need to communicate clearly its strategic plan, its unwavering commitment to the United Nations, and its focus areas.

82. While UNOPS does not have a policy agenda, as a public organization with a commitment to transparency and accountability it must strive to make information about its activities available to Member States and the general public. It must also develop a coherent message about its values, purpose and results, communicating a compelling case for UNOPS as a prospective partner and a good place to work.

Goal 1.2. UNOPS becomes a choice service provider

83. Long-term partnerships benefit both UNOPS and its partners. New agreements signed in 2008 with the United Nations Secretariat, the European Commission (financial and administrative agreement); and the World Bank (financial management framework agreement and fiduciary principles accord) provide a foundation for stronger partnerships. Additional agreements with UNICEF, UNFPA, and regional development banks will be prioritized.

84. In June 2009, UNOPS concluded a new strategic partnership with its main partner, UNDP. The agreement clearly delineates the respective work of each organization, while embracing the potential for working together when such collaboration demonstrates value for both organizations and for the delivery of results. The agreement is based, among other things, on the changed governance arrangements for UNOPS effected by Executive Board decision 2008/35. It addresses operational matters, providing for reciprocity and mutual accountability when UNOPS provides implementation services for UNDP programmes, projects and activities, and clarifies the role of the United Nations resident coordinator/UNDP resident representative as UNOPS representative at the country level.

85. UNOPS will strengthen its contribution to the United Nations and enhance its participation in and contributions to the High-level Committee on Management, UNDG, United Nations regional and country teams, and UNDAF processes on the ground, by offering implementation support as a shared-service provider. The objective of firmly establishing UNOPS as a choice service provider requires consistent, responsive client relationship management at all levels, facilitated through policies, tools and training; networking with high-level committee partners, and, above all, good performance.

Goal 1.3. Enhanced ability to serve governments

86. With the rising demand of governments for services, UNOPS will have to be attentive to expectations for service quality, timeliness and cost. Relevant implementation policies and tools will be strengthened and personnel will be trained to support this.

87. UNOPS will work closely with United Nations partners, particularly UNDP, as well as with Member States, to define its contributions to national capacity development, with a focus on implementation capacity and infrastructure, including maintenance to safeguard investments.

88. Especially in fragile states – but also in least developed and low-income countries, and occasionally in middle-income countries – UNOPS will be asked to temporarily fill national capacity gaps by offering direct implementation services in its focus areas. In doing so it must increasingly assume responsibility for partial processes and work within country systems.

89. With the increase in demand directly from governments for UNOPS services, the organization will need to establish a comprehensive accountability framework vis-à-vis governments by concluding agreements to cover its personnel, assets and activities. In those limited locations where UNOPS has established a regional or country presence, relations with governments would be facilitated by having a senior UNOPS staff member designated as UNOPS representatives to the governments concerned. Such arrangements would be similar to those granted by the General Assembly to UNFPA, the United Nations Development Fund for Women, and the United Nations High Commissioner for Human Rights. Notwithstanding such direct arrangements with governments, continued use of the United Nations resident

coordinator/UNDP resident representative as the UNOPS representative would remain the norm. UNOPS will apply the most relevant, cost-effective solution on a country-by-country basis.

C. The business process perspective

90. UNOPS services should equal or surpass those of any other provider in its focus areas. One strategic goal and one strategic performance objectives have been identified for the 2010-2013 period.

2. Business processes

2.1. Enhanced UNOPS operational capacity

2.1.1. Improve process efficiency and effectiveness of UNOPS practices

91. UNOPS has made progress developing policies, streamlining business procedures and developing management support systems. New Financial Regulations and Rules clarify authority, roles and responsibilities, and align with the International Public Sector Accounting Standards (IPSAS).

92. With the strategic plan UNOPS is establishing a practice architecture to help improve performance in terms of quality, timeliness and cost of services. UNOPS 'communities of practitioners', firmly established over the past two years, have encouraged global, participatory ways of working. Achievement and maintenance of world-class performance standards will depend on the ability to achieve quality and corporate consistency throughout the organization. UNOPS management and implementation support practices will make this happen.

Goal 2.1. Enhanced UNOPS operational capacity

93. Under 'global practice leaders', each of the four management practices will improve its performance and obtain external certification, within a coherent management system compliant with International Organization for Standardization management standard 9001. Leaders will also assume responsibilities for supporting strategic partnerships, business development, quality assurance, and acceptance of new engagements in their respective fields.

94. Under global practice leaders, each of the five implementation management practices will improve performance in response to partner needs. When applicable – such as in infrastructure, pharmaceuticals and demining – UNOPS will align its work with international or national standards. Mechanisms for assessing the performance and continued viability of individual implementation support practices will be established for annual review.

D. The people perspective

95. UNOPS personnel are committed and motivated. The organization will further nurture this valuable resource. One strategic goal and three strategic performance objectives have been identified.

3. People

3.1. Improved talent recruitment, development and retention

3.1.1. Improve the competencies of personnel

3.1.2. Enhance diversification in the workforce

3.1.3. Increase staff motivation and retention

Goal 3.1. Improved talent development, recruitment and retention

96. Under the business strategy, 2007-2009, UNOPS invested significantly in its personnel. New policies and instructions address staff recruitment, staff rotation, succession management, gender balance, and the recruitment and administration of individual contractors. A framework aligns competencies with job descriptions and grade levels, and an online performance and results assessment system was implemented. Major strides have also been made in the area of learning.

97. All these initiatives will deepen under the strategic plan. Priority will be given to ensuring a diverse, well-balanced pool of men and women from different countries and cultures. This will be targeted and measured at all levels of the organization.

98. Learning, with an emphasis on external certification, will be vigorously pursued. Together with improved individual performance assessments based on target agreements, this should significantly improve the performance of the organization.

99. Staff retention has historically been a problem. The introduction of the revised post classification scheme and a new rewards and sanctions policy, together with the above-mentioned initiatives, should reduce attrition rates to acceptable levels.

E. The financial perspective

100. UNOPS operations require a secure financial footing, and its aim is to achieve long-term financial stability and manage risks. Two strategic goals, each with one strategic performance objective, have been identified.

4.	**Finance**
4.1.	**Sustained financial viability**
4.1.1.	Improve financial performance
4.2.	**Strong financial controls and governance**
4.2.1.	Mitigate financial and reputational risks

Goal 4.1. Sustained financial viability

101. As a fully self-financed organization, UNOPS must earn adequate revenue and control its administrative expenditures, including necessary investments in operational capacity, so that net revenue targets set by the Executive Board for each biennium are met. Ensuring UNOPS meets these and other key financial targets is a central responsibility of the Executive Director and closely linked to the delegation of authority he/she enjoys.

102. The operational reserve has grown steadily during the past three years. Full replenishment is targeted before the end of the strategic planning cycle. The cost-recovery and pricing policy will be revised annually. In that regard, it is in the interests of UNOPS to contribute to harmonization in the context of the High-level Committee on Management. The ability of UNOPS to estimate costs and determine fee levels must improve so as to avoid financially unsound engagements. Risk management must be in place (goal 4.2.) to minimize extraordinary losses. Vital to the strategic plan is the ability to finance necessary investments to ensure the quality, timeliness and competitiveness of UNOPS services.

103. At the time of finalizing this report it is difficult to predict the impact on UNOPS of the global financial crisis and currency fluctuations. The situation will require vigilance and tough management decisions. Coupled with the impact of IPSAS revenue recognition principles, UNOPS is currently operating under two scenarios for delivery and related revenue in the baseline year of 2009, namely, 'on target' and '25 per cent below target'. Equally, the preliminary planning for 2010 is based on two scenarios, one for no growth and

one for contraction. While the organization must be managed in such a way as not to deplete its operational resources, the need for temporary draw-downs should not be excluded. UNOPS will establish the planning numbers for the next biennium in the fourth quarter of 2009, and propose them to the Executive Board with the 2010-2011 budget to be approved in January 2010.

Goal 4.2. Strong financial controls and governance

104. Several measures are in place to ensure improved financial controls: the Internal Audit Office and the Strategic Audit Advisory Committee were established; an internal control and risk management framework deals with accountability for funds entrusted to UNOPS; a UNOPS insurance scheme offers a degree of protection against business interruption, crime or litigation from clients or contractors; an ethics officer function has been introduced, supported by a policy framework dealing with whistleblower protection; better qualified financial staff have been recruited and training schemes introduced; new financial rules and regulations have been issued; the use of the enterprise resource planning system has helped improve financial reporting and oversight.

105. With those initiatives as background, concerted efforts will be made to manage and reduce all types of risk, including mismanagement and fraud, and to enforce accountability at all levels of the organization. The oversight capacities of regional offices will be strengthened. UNOPS will introduce IPSAS with a 1 January 2012 target date for full implementation.

106. The 2006-2007 audit conducted by the United Nations Board of Auditors was unqualified, reversing the trend of the three prior bienniums. UNOPS must build a positive trend and attain unqualified UNBOA audit reports.

VI. Implementation: independent oversight and advice

A. Introduction

107. Implementation of the strategic plan is supported by management tools based on the public sector version of the 'balanced scorecard[14] and reinforced by target agreements with managers, as well as annual business plans and results-based budgeting. The Executive Director and the senior management team will review progress quarterly. Annual plans and performance reviews of managers and other personnel will assess their contributions to their respective positions.

108. The Executive Director will benefit from independent oversight and advice from the Executive Board, the United Nations Board of Auditors, the UNOPS Internal Audit Office as well as the Fifth Committee of the General Assembly. Independent advice comes from the Strategic Audit Advisory Committee the Policy Advisory Committee, and the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which advises the Executive Board.

B. Independent oversight

109. The Executive Board has reviewed implementation of the business strategy, 2007-2009, in annual reports presented in 2008 and 2009. Final reporting will be made at the annual session 2010.

[14] *The Balanced Scorecard for Public Sector Organizations*. Robert S. Kaplan, Harvard Business School, 1999

110. Implementation of the strategic plan, 2010-2013 will be reviewed in annual reports, notably the report presented at the annual session in 2011, which will form the basis for the biennial budget, 2012-2013. Aspects of strategy implementation will be addressed in the certified financial statements and reports of the United Nations Board of Auditors.

111. UNOPS is committed to improving its reporting of operational and management results, and seeks guidance on how the relevance and quality of reporting can be improved. UNOPS will also seek views on changes to the strategic plan during its four-year lifetime, and will make its final report on the implementation of the strategic plan at the annual session 2014.

112. The United Nations Board of Auditors will present audit reports to the Executive Board for the 2010-2011 biennium, and annually thereafter. This will occur at the first regular session and will be accompanied by management comments. UNOPS will also report regularly on the implementation of audit recommendations.

113. The Internal Audit Office audits headquarters, regional offices, operations centres and projects. Audit coverage is determined annually by in-depth assessments of risks to the organization. Internal audit results trigger course corrections and management actions. Internal audit reports and management comments thereon are presented to the Board at the annual session.

C. Independent advice

114. The Strategic Audit Advisory Committee provides independent advice to the Executive Director on strategic issues facing the organization. It provided advice in the preparation of the strategic plan and will advise on its implementation, including changes that may be needed.

115. Pursuant to Executive Board decision 2008/35, the Policy Advisory Committee was formed to advise the Executive Director on the role of UNOPS in the United Nations system. The Committee, with a membership at the Under-Secretary-General level of UNDP, the Department of Field Support, the Office for the Coordination of Humanitarian Affairs, the Department of Management and the Chair of the High-level Committee on Management, plus ex-officio membership of the United Nations Office of Legal Affairs, will meet twice yearly. Its inaugural meeting in May 2009 offered comments on the first draft of the strategic plan.

116. The strategic plan will span two biennial budgets, for 2010-2011 and 2012-2013. The ACABQ will advise the Executive Board on budget proposals made by the Executive Director.

117. In addition to the formal arrangements, UNOPS will solicit feedback from its partners through annual surveys and at every opportunity for dialogue. This will take place at all levels, covering performance of the organization as a whole, units and practices, down to individual projects.

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United Nations Office for Project Services

Annual statistical report on the procurement activities of the United Nations system, 2008*

Goods and services, international project personnel, United Nations volunteers, and fellowships

Executive summary

The Executive Director submits the present report of United Nations system procurement data to the Executive Board pursuant to its decision 2007/38. The complete report may be obtained in the language of submission from the Executive Board secretariat at the United Nations Global Marketplace site (http://ungm.org/Info/Publications.aspx). The report provides details on United Nations system procurement by country of supply.

Total United Nations system procurement under all sources of funding during 2009 was $13.59 billion, which represents an increase of $3.48 billion over the previous year. The share of procurement from developing countries declined by 2.3 per cent, to 51.3 per cent.

The complete 2008 report contains:

(a) An executive summary featuring a trend analysis of United Nations procurement from developing countries and countries with economies in transition;
(b) Analysis of United Nations contracts placed with companies that are signatories to the Global Compact of the United Nations;
(c) Tables listing combined United Nations system procurement, by country of supply;
(d) Tables listing procurement, by individual United Nations organization and by country of supply;
(e) Summary sheets on procurement from countries members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development;
(f) Summary sheets on procurement from the top 20 developing countries and countries with economies in transition;
(g) The top 10 product groups/items procured by the United Nations system;
(h) A section covering major equipment and services (over $30,000) procured by the United Nations system;
(i) A summary of project personnel, by nationality; and
(j) A supplement with a thematic focus on sustainable procurement, providing an overview of the international debate on the subject, case studies and contributions from practitioners and experts.

* The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

09-42403 (E) 300709

Contents

I. Introduction 3

II. Total procurement of goods and services for operational activities of the United Nations system 4

III. Top 10 major countries of supply to the United Nations system, 2008 5

IV. Procurement by United Nations organizations in 2007-2008 6

V. Procurement from developing countries and countries with economies in transition 7

VI. Procurement from developing countries and countries with economies in transition, by region 8

VII. Procurement from developing countries and countries with economies in transition, by top 10 United Nations organizations 9

VIII. Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2008 10

I. Introduction

1. The annual statistical report on the procurement activities of the United Nations system, 2008 was prepared by the United Nations Office for Project Services (UNOPS), which assumed responsibility for collecting and compiling United Nations system-wide procurement data following the partial merger between UNOPS and the Inter-Agency Procurement Services Office in January 2008.

2. The 2008 report analyzes procurement from developing countries and countries with economies in transition, and examines United Nations system performance, in response to General Assembly resolution 57/279 of January 2003 on procurement reform, which encouraged United Nations organizations to increase opportunities for vendors in developing countries and countries with economies in transition. Significant progress has been made towards achieving that objective (see figures 3-8, below).

3. In addition, the 2008 report looks at procurement by United Nations organizations from vendors that support the 'Global Compact'. The Compact measures engagement by the United Nations system with companies that take corporate social responsibility seriously, an increasingly important consideration in the global marketplace. While United Nations organizations give no preferential treatment to Compact signatories, the volume of procurement with registered Global Compact vendors shows an average increase over the period 2006-2008.

4. The 2008 statistical report compiles information supplied by 32 United Nations organizations. UNOPS relies entirely on the cooperation of the reporting entities. In general, response rates were satisfactory, and data quality has improved thanks to better reporting tools. Five United Nations entities did not provide data for 2008.

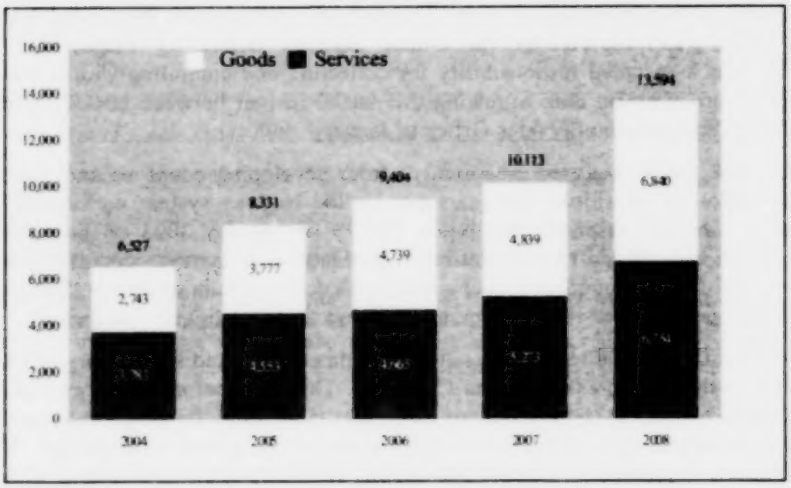
5. Whereas previous reports distinguished between UNDP procurement under national execution or direct execution and procurement by UNDP headquarters, the new format reports on UNDP procurement as a whole.

6. Data is reported on goods, based on countries of supply, and on services, based on the locations of contractors' head offices. Procurement orders and service contracts are reported by contract amount rather than by expenditures incurred. Most United Nations entities cannot, at present, report data based on the country of origin of goods, or on actual expenditures.

7. The 2008 statistical report features an annual thematic supplement that focuses on current issues in procurement. For 2008, the focus of the supplement is sustainable procurement, providing an overview of the international debate on the subject, case studies and contributions from practitioners and experts.

Figure 1. Total procurement of goods and services, 2004-2008

(in millions)

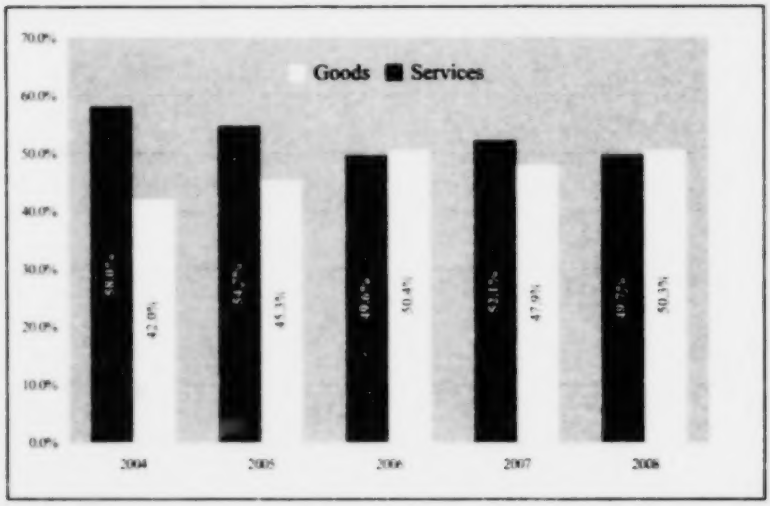


II. Total procurement of goods and services for operational activities of the United Nations system

8. The overall procurement volume (goods and services combined) of United Nations organizations during 2008 increased to $13.6 billion, from $10.1 billion in 2007 – a gain of 34.4 per cent. The total procurement of goods went up $1.5 billion, an increase of 28.1 per cent, while procurement of services grew by $2 billion, an increase of 41.3 per cent. Between 2004 and 2008, United Nations procurement more than doubled in volume, from $6.5 billion to $13.6 billion, primarily attributable to a $4.1 billion growth in the procurement of services of $4.1 billion for the same period.

9. From 2004 to 2008, United Nations system procurement of services rose as a share of total procurement, slightly overtaking the procurement share of goods for the first time in 2006 and again in 2008. In 2008, the share of services exceeded that of goods by 0.6 per cent, reversing the 2007 data where the procurement of goods exceeded that of services by 4.6 per cent.

Figure 2. Proportion of goods and services procured, 2004-2008



III. Top 10 major countries of supply to the United Nations system, 2008

10. The percentage share of total goods and services procured from the top 10 suppliers to the United Nations system decreased between 2004 and 2008 (see figure 3). Over a longer term, United Nations organization sourcing strategies appear to be succeeding in broadening the general distribution of procurement opportunities for vendors. While over the previous two years, the percentage share has increased an aggregate of 4.4 per cent, the 2008 percentage of 38.1 per cent, remains 8.5 per cent lower than levels recorded in 2004.

11. The 10 major countries to supply United Nations organizations in 2008 included four developing countries – India, Afghanistan, Peru and Sudan. India has featured in this list since 2000, and in 2008, was the second largest supplier to the United Nations system, with a 4.6 per cent share of total United Nations procurement volume. Procurement from India includes pharmaceuticals, medical equipment, cold chain equipment and diagnostic test kits procured primarily by the United Nations Children's Fund (UNICEF). Procurement from Afghanistan and Peru consisted primarily of construction services executed with national vendors by UNDP and UNOPS respectively. Procurement from Sudan largely consisted of construction services and fuel oils procured by the United Nations Procurement Division in support of peacekeeping operations.

Figure 3. Percentage share of total procurement volume of the top 10 countries to supply the United Nations system

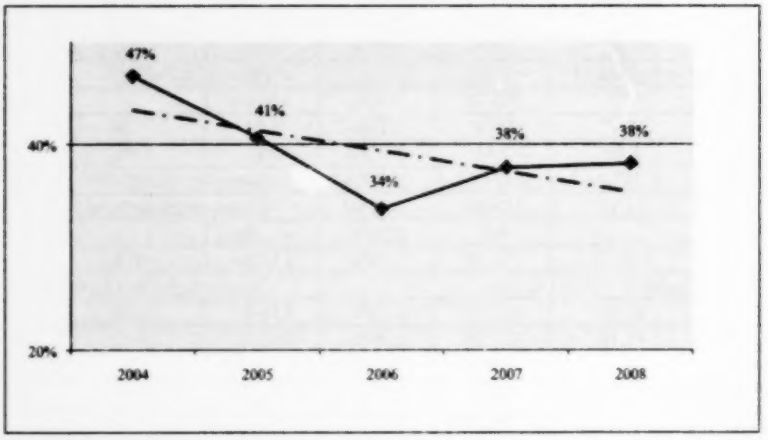


Table 1. Top 10 countries supplying United Nations operations in 2009
(in millions of dollars)

Countries	Goods	Services	Total	Percentage of total
United States	311.4	737.4	1,049.0	7.7%
India	562.9	57.1	620.0	4.6%
Switzerland	353.5	218.5	572.0	4.2%
France	435.1	68.3	503.4	3.7%
Italy	311.7	154.3	466.0	3.4%
Russian Federation	35.7	400.8	436.5	3.2%
Afghanistan	49.0	366.6	415.6	3.1%
Peru	195.0	213.0	408.1	3.0%
Sudan	199.8	184.8	384.6	2.8%
Denmark	254.3	73.1	327.4	2.4%
Top 10 total	**2,708.5**	**2,473.9**	**5,182.4**	**38.1%**
Grand total	**6,754.0**	**6,839.9**	**13,594.3**	**100.0%**

IV. Procurement by United Nations organizations in 2007-2008

12. The following table lists the procurement volume of individual United Nations organizations in 2007 and 2008. Data are presented by the percentage share from developing countries and those with economies in transition. Of the 31 reporting United Nations organizations, 52 per cent increased their procurement volume over the previous year. The United Nations Procurement Division (UN/PD) and the World Food Programme (WFP) recorded the largest volume increases, both by some $1.2 billion.

Table 2. Procurement volume of individual United Nations organizations, 2007 and 2008
(in millions of dollars)

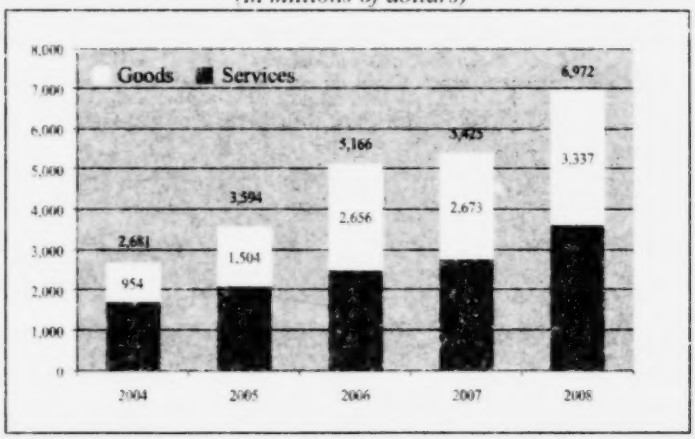
	2007				2008			
AGENCY	**GOODS**	**SERVICES**	**TOTAL**	**(%)**	**GOODS**	**SERVICES**	**TOTAL**	**(%)**
ESCAP	5.03	6.28	11.32	0.11%	2.14	5.16	7.30	0.05%
ESCWA	2.38	2.39	4.78	0.05%	1.31	1.70	3.01	0.02%
ECE	Data included in UNOG figures				Data included in UNOG figures			
ECLAC	3.49	6.73	10.22	0.10%	1.31	4.51	5.81	0.04%
FAO	54.04	30.80	84.84	0.84%	72.73	35.83	108.57	0.80%
IAEA	86.17	45.11	131.28	1.30%	63.63	36.28	99.91	0.73%
ICAO	Data not submitted				Data not submitted			
ICTR	Data not submitted				Data not submitted			
ICTY	Data not submitted				Data not submitted			
IFAD	1.64	28.02	29.65	0.29%	3.94	27.09	31.02	0.23%
ILO	32.17	38.06	70.24	0.69%	15.17	38.69	53.86	0.40%
INSTRAW	0.05	0.04	0.09	0.00%	0.06	0.07	0.13	0.00%
ITC	1.07	4.42	5.49	0.05%	0.47	3.60	4.07	0.03%
ITU	Data not submitted				Data not submitted			
PAHO	293.76		293.76	2.90%	376.66		376.66	2.77%
OPCW	5.64	10.91	16.55	0.16%	5.41	7.74	13.15	0.10%
UNCTAD	0.36	1.65	2.01	0.02%	0.86	1.98	2.83	0.02%
UNDP	627.06	1,797.04	2,424.11	23.97%	724.46	2,135.31	2,859.77	21.04%
UNDP/IAPSO	93.02	13.21	106.23	1.05%	Procurement merged with UNOPS 1/1/2008			
UNECA	4.33		4.33	0.04%	1.76		1.76	0.01%
UNESCO	65.96	165.22	231.18	2.29%	114.84	146.35	261.19	1.92%
UN/DPKO	Data included in UN/PD figures				Data included in UN/PD figures			
UNFPA	177.89	45.86	223.75	2.21%	138.05	114.87	252.92	1.86%
UNHCR	82.33	45.16	127.49	1.26%	206.75	159.35	366.10	2.69%
UNICEF	1,368.51		1,368.51	13.53%	1,540.48		1,540.48	11.33%
UNIDO	22.55	32.36	54.90	0.54%	25.52	28.37	53.89	0.40%
UN/PD	873.07	1,031.19	1,904.26	18.83%	1,345.87	1,826.40	3,172.27	23.34%
UNOG	21.80	47.13	68.92	0.68%	12.49	51.92	64.41	0.47%
UNON	13.96	42.41	56.37	0.56%	Data not submitted			
UNOPS	205.95	452.99	658.94	6.52%	358.90	503.95	862.85	6.35%
UNOV	7.99	14.39	22.38	0.22%	5.47	10.88	16.34	0.12%
UNRWA	138.55	41.53	180.07	1.79%	150.82	54.49	205.31	1.51%
UNU	0.10	2.63	2.74	0.03%	0.35	1.80	2.16	0.02%
UNV	0.86	2.92	3.78	0.04%	0.40	10.63	11.03	0.08%
UPU	0.72		0.72	0.01%	1.83		1.83	0.01%
WFP	885.48	922.97	1,808.45	17.88%	1,579.55	1,484.37	3,063.92	22.54%
WHO	142.10		142.10	1.41%	Data not submitted			
WIPO	51.34		51.34	0.51%		138.24	138.24	1.02%
WMO	3.79	7.93	11.72	0.12%	2.92	5.68	8.59	0.06%
WTO	Data not submitted			0.00%	0.17	4.67	4.84	0.04%
TOTAL	**5,273.15**	**4,839.36**	**10,112.50**	**100.00%**	**6,754.33**	**6,839.89**	**13,594.26**	**100.00%**

V. Procurement from developing countries and countries with economies in transition

13. General Assembly resolution 57/279 on procurement reform (specifically paragraph 6), encouraged United Nations organizations to increase sourcing opportunities for suppliers from developing countries and countries with economies in transition. General Assembly resolution 61/246 (specifically paragraph 24), reiterated the request. In response, United Nations organizations have placed more orders with suppliers from these countries. The growth of such orders has more than doubled in dollar terms from 2004 to 2008, as shown in figure 4.

Figure 4. United Nations procurement from developing countries and countries with economies in transition, 2004-2008

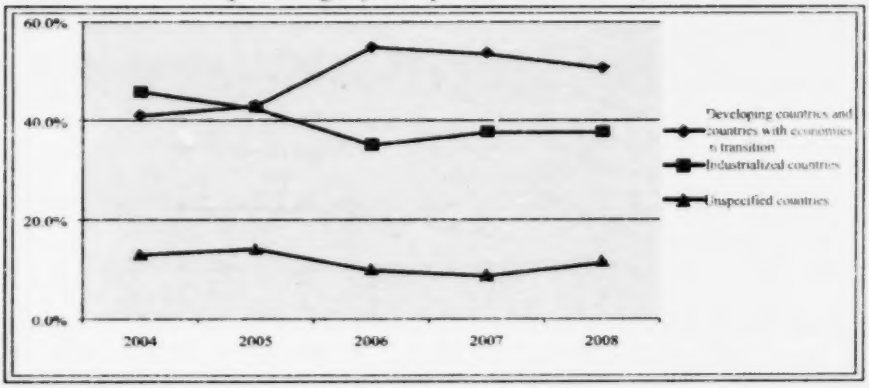
(in millions of dollars)



14. Although, in 2008 procurement from developing countries and countries with economies in transition increased $1.5 billion over 2007, their share of overall total procurement volume decreased by 2.9 per cent. Of note, procurement from developing countries and countries with economies in transition exceeded 50 per cent of total United Nations procurement volume in 2007 (53.6 per cent) and 2008 (50.7 per cent), while procurement from industrialized countries remained steady at 37.7 per cent in 2007 and 37.8 per cent in 2008. Procurement from unspecified countries has risen from $0.8 billion in 2007, to $1.4 billion in 2008. Countries are unspecified when organizations cannot attribute the origin of the supplier in their management information systems, as is the case with WFP transportation data, which accounts for $1.2 billion of the procurement from unspecified countries.

Figure 5. United Nations procurement from developing countries and countries with economies in transition, 2004-2008

(percentage of total procurement volume)

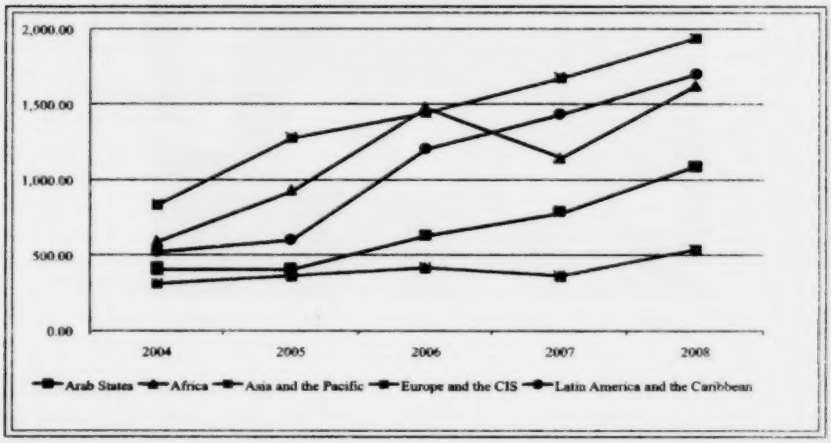


VI. Procurement from developing countries and countries with economies in transition, by region

15. An analysis of United Nations procurement from developing countries and countries with economies in transition by region, since 2004, shows that the increase in total procurement volume has benefitted all regions. Except for Europe and the Commonwealth of Independent States, all regions have markedly increased their procurement business with United Nations organizations since 2004. While Africa experienced rapid growth in procurement business with the United Nations from 2004 to 2006, its share declined in 2007 but increased again in 2008 by $478.9 million to $1.6 billion.

Figure 6. United Nations procurement from developing countries and countries with economies in transition by region, 2004-2008

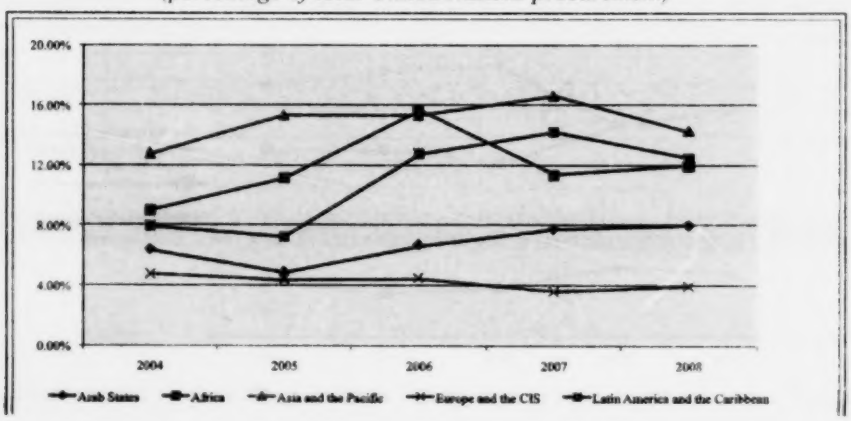
(in millions of dollars)



16. Regional data on percentage share of United Nations procurement from developing countries and countries with economies in transition confirms that most regions have enjoyed growth in procurement business. The percentage share of United Nations procurement in Asia Pacific and Africa regions has decreased by 2.3 per cent and 1.7 per cent respectively, since 2007. The Latin America, European countries, as well as Arab States have marginally increased their percentage share of total United Nations procurement.

Figure 7. United Nations procurement from developing countries and countries with economies in transition by region, 2000-2007

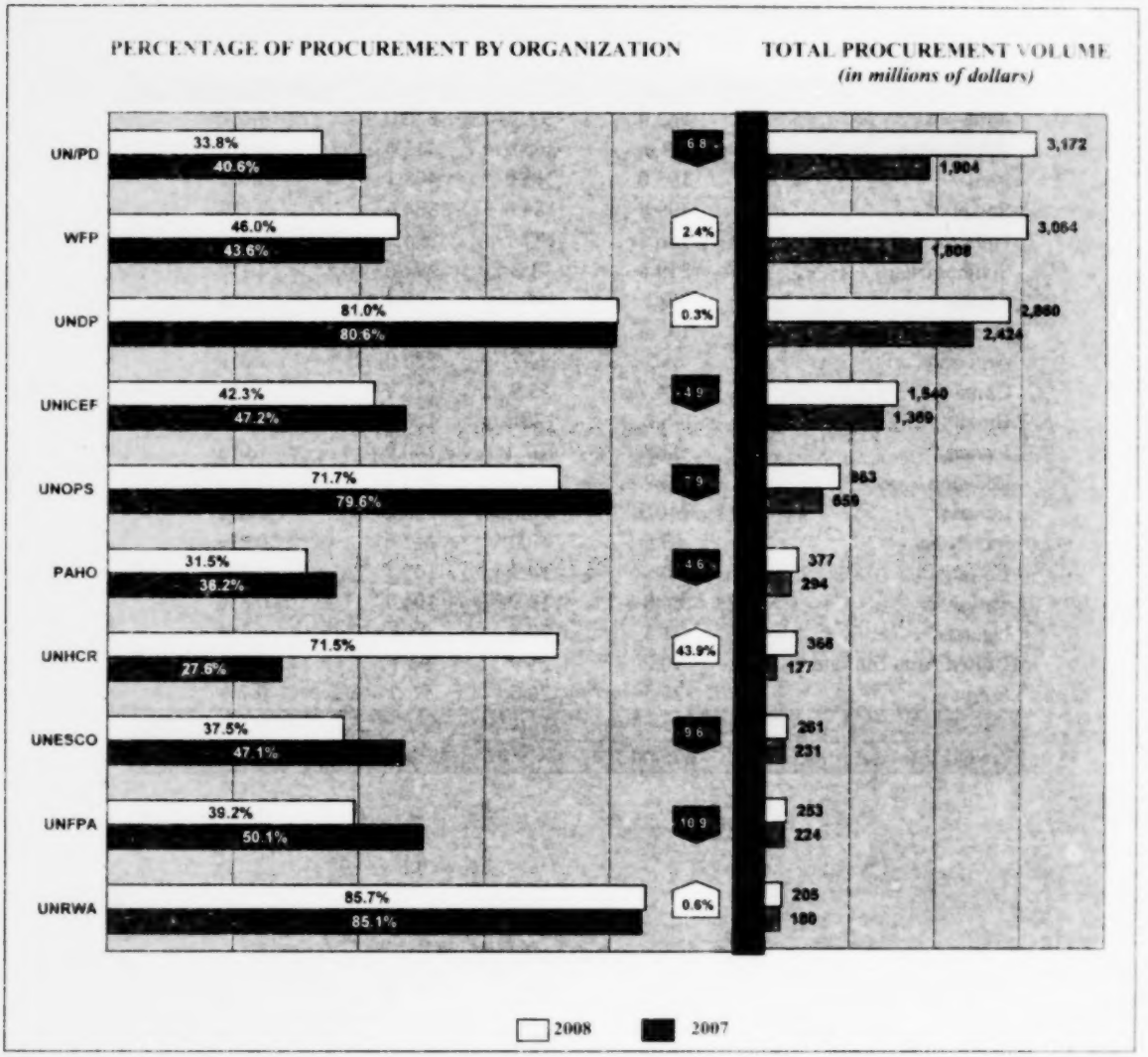
(percentage of total United Nations procurement)



VII. Procurement from developing countries and countries with economies in transition, by top 10 United Nations organizations

17. Figure 8 presents percentage of procurement volume by the 10 largest United Nations organizations (accounting for 95.3 per cent of total procurement), from developing countries and countries with economies in transition in 2008, as well as the percentage change compared with 2007. Organizations are listed in descending order total volume, detailed in the section to the right in figure 8.

Figure 8. United Nations organization procurement from developing countries and countries with economies in transition, by region, 2007-2008



VIII. Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2008

18. In total, procurement of goods and services from the top 20 developing countries and countries with economies in transition represents 31.9 per cent of overall United Nations procurement volume, a decrease of 1.8 per cent over 2007. For a detailed overview of procurement volume trends, categories of goods and services procured, as well United Nations organizations shares for each of the countries listed in table 3, please refer to the complete 2008 Annual Statistical Report on United Nations Procurement, available at http://ungm.org/Info/Publications.aspx.

Table 3. Top 20 developing countries and countries with economies in transition supplying United Nations operations in 2008

(in millions)

India	562.9	57.1	620.0	4.6%
Afghanistan	49.0	366.6	415.6	3.1%
Peru	195.0	213.0	408.1	3.0%
Sudan	199.8	184.8	384.6	2.8%
Panama	106.5	187.7	294.1	2.2%
South Africa	219.8	71.8	291.6	2.1%
Kenya	89.1	100.3	189.4	1.4%
Dem. Rep. Congo	133.4	49.7	183.1	1.3%
Argentina	85.3	94.7	180.0	1.3%
China	124.7	53.9	178.7	1.3%
Brazil	46.2	120.5	166.7	1.2%
Jordan	33.8	107.1	140.9	1.0%
Lebanon	67.7	64.7	132.4	1.0%
Ecuador	110.2	20.6	130.9	1.0%
Indonesia	53.6	59.0	112.6	0.8%
Colombia	20.8	84.9	105.7	0.8%
Turkey	84.8	19.9	104.7	0.8%
Uganda	71.3	27.5	98.8	0.7%
United Arab Emirates	70.2	25.9	96.1	0.7%
Egypt	25.5	70.5	96.0	0.7%
Top 20	***2349.6***	***1980.4***	***4329.9***	***31.9%***
Grand total	**6754.0**	**6839.9**	**13594.3**	**100.0%**

United Nations DP/2009/38

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United Nations Development Fund for Women

United Nations Development Fund for Women criteria and methodology for regular resources allocation

Summary

The present document provides information on the current criteria for regular resources allocation used by the United Nations Development Fund for Women (UNIFEM) and proposes options for future programming resources distribution. The document is accompanied by the letter addressed to the UNDP Administrator by the Chair of the Consultative Committee on the United Nations Development Fund for Women of 27 May 2009, at whose request this document was drafted.

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Contents

Chapter		*Page*
I.	Introduction	3
II.	Guiding principles of criteria for regular resources allocation	3
	A. Legislative background	3
	B. The UNIFEM strategic plan	4
III.	Current methodology for distribution of regular resources	4
	A. Strategic considerations	4
	B. Percentage share by programming countries	5
	C. Criteria for deciding to engage in certain countries	6
IV.	The way forward	6
	A. guiding principles	6
	B. Two basic options	8
V.	Adjusting for gender and methodology for applying an amended resources distribution	11
	A. Adjusting UNDP regional distribution for gender equality	11
	B. Methodology	14
VI.	Conclusions and for consideration of the Committee	18
Annex		
	Letter from the chair of the Consultative Committee	19

I. Introduction

1. At its 49th session held 17-18 March 2009, the UNIFEM Consultative Committee requested: "UNIFEM to provide an analysis of the criteria for resource allocation for a review of these by the Committee at an inter-session meeting and its inclusion as an annex in the report on the implementation of the strategic plan for the annual session of the UNDP/UNFPA Executive Board." This document provides information on the current criteria for regular resources allocation and options for future programming resources distribution covering the following topics: guiding principles of criteria for regular resources allocation; current methodology for distribution of regular resources; the way forward; and methods and issues for amending the resources distribution methodology.

2. Chapters covering the first two topics largely reflect the note on the subject prepared as an input for discussion at the 49th session of the Committee. On the other hand, the chapters covering the last three topics pertain to issues that the UNIFEM advisory and governing bodies may wish to take into account when considering the amendment of the existing criteria for distribution of UNIFEM regular resources.

II. Guiding principles and criteria for regular resources allocation

A. Legislative background

3. General Assembly resolution 39/125 (1984)[1], containing the UNIFEM mandate, states that the resources of the Fund shall be used mainly within two priority areas: to serve as a catalyst, with the goal of ensuring the appropriate involvement of women in mainstream development activities, as often as possible at the pre-investment stages; and to support innovative and experimental activities benefiting women, in line with national and regional priorities. It highlights that the present procedures of the Fund, "established in accordance with the requirements set out in the criteria adopted by the General Assembly in its 1976 resolution 31/133 and on the advice of the Consultative Committee, shall remain in force." General Assembly resolution 31/133 adopted the following criteria:

(a) "The resources of the Fund should be utilized to supplement activities in the following areas designed to implement the goals" of the Decade for Women:

(i) Technical cooperation activities;

(ii) Development and/or strengthening of regional and international programmes;

(iii) Development and implementation of joint inter-organizational programmes;

(iv) Research, data collection and analysis, relevant to the above three;

(v) Communication support and public information activities designed to promote the goals of the Decade and, in particular, the activities undertaken under (i), (ii), and (iii) above;

(vi) In the selection of projects and programmes, special consideration should be given to those which benefit rural women, poor women in urban areas and other marginal groups of women, especially the disadvantaged."[2]

4. Since then, these areas were reinforced and/or expanded by a series of General Assembly resolutions, including those emphasizing UNIFEM support to national women's machineries, economic empowerment of women, women in politics, democratic governance, ending violence against women, human rights, the Convention on the Elimination of All Forms of Discrimination against Women,

[1] Paragraph 9 of the annex to A/RES/39/125 (December, 1984), chapter II on operations and control of the Fund.

[2] General Assembly resolution 31/133 (December, 1976) paragraph 1 (a) on criteria

indigenous women, gender thematic groups in the resident coordinator system, gender dimension in peacebuilding and security issues; gender perspective of HIV/AIDS and gender budgeting; and gender technical resource of the United Nations system.

5. The UNDP/UNFPA Executive Board, which covers UNIFEM, has made a number of decisions about UNIFEM that reinforce the General Assembly resolutions and highlight priorities for UNIFEM programming. These include a mandate to work in Central and Eastern Europe and the Commonwealth of Independent States, mainstreaming gender in common country assessments and United Nations Development Assistance Frameworks, ensuring gender dimensions of all Millennium Development Goals are incorporated into operational activities of United Nations system, support to the resident coordinator system, reducing feminized poverty, ending violence against women, halting and reversing the spread of HIV/AIDS, gender justice in democratic governance and in post-conflict countries, women's economic security and rights, and reducing the prevalence of violence against women.

6. Based on its mandate, UNIFEM provides innovative, catalytic programming and financial support to countries to achieve gender equality in line with national priorities, and strengthens action on gender equality across the United Nations system of development cooperation. Accordingly, UNIFEM programmes and activities contribute to the Beijing Platform for Action and other international development goals and commitments.

B. The UNIFEM strategic plan

7. The strategic plan, 2008-2011 is based on the UNIFEM mandate and guides the overall direction of UNIFEM support to programme countries in achieving their national development priorities on gender equality and women's empowerment. The overarching goal of UNIFEM, as articulated in the plan, is that "national commitments to advance gender equality and women's empowerment are implemented" in programme countries. In support of this goal, UNIFEM works in specific thematic areas highlighted by its governance structure, including enhancing women's economic security and rights, reducing prevalence of violence against women and HIV/AIDS, and advancing gender justice in democratic governance. The goal also places the focus of implementation at the national level, in keeping with the promotion of national ownership and development partnership, to enhance the implementation of national commitments on gender equality. The strategic plan provides the framework for country, sub-regional, regional and global programmes, and its development results are supported by output-level management results. The current strategic plan was approved by the Executive Board in decision 2007/35.

III. Current methodology for distribution of regular resources

A. Strategic considerations

8. The strategic plan, including its multi-year integrated financial framework, forms the basis for planning and programming of regular and 'other' resources over a period of four years, ensuring that resources are used effectively and efficiently to further the policies, aims and activities of UNIFEM. Based on the plan, the partial funding formula[3] is applied in setting the financial envelope of regular resources available for UNIFEM to programme each year. After making provisions for the biennial support budget (programme support and management), all UNIFEM

[3] The partial funding formula, approved by the Executive Board decision 97/4 (January, 1997), allowed UNIFEM to programme 100 per cent of estimated income for the year, plus 50 per cent of the same amount the following year, and 25 per cent for the third year.

resources are available, to the maximum extent possible, for programme activities in programme countries. The levels of annual programmable regular resources are tentative in nature as they are based on projected available regular resources for the year. The resource target may or may not be realized depending on actual levels of donor contributions.

9. In order to economize on its limited regular resources, UNIFEM seeks to optimize its presence in programme countries by basing its programmes in sub-regional programme offices supporting country, regional, and global initiatives. UNIFEM does not have widespread country office networks; it has strategic presence or coverage at national, regional and global levels to implement its strategic plan. In addition to its sub-regional programme offices in 15 programme countries, in response to demand from programme countries and using flexible organizational arrangements, UNIFEM has a cost-effective programme field presence in over 60 countries.

10. The current methodology for allocating resources provides the programme funding base at the regional and global levels for implementation of development activities with the aim of contributing to development results based on national priorities and commitments to advance gender equality.

B. Percentage share by programming categories

11. The current methodology for allocating regular resources for regional and thematic distribution is based on a straightforward percentage point assigned for each programming category endorsed by the Committee. Commensurate with the small resource base of UNIFEM, and the catalytic and innovative nature of its mandate, the percentage share is kept simple and straightforward. Distribution of regular resources for programme activities is done by assigning a percentage share of programmable regular resources to each programming category – geographic regions, thematic/cross-regional, outreach and business development, special programming needs, and emerging issues. Review and determination of the percentage points is done by the Consultative Committee periodically, in light of new programming developments based on UNIFEM submission. The percentage shares endorsed by the Consultative Committee at its 41st session in 2001, and the revisions adopted at the 44th session[4] of the Committee in 2004, are summarized in table 1.

Table 1: Percentage share for distribution of regular programming resources

Programming category	Percentage share adopted by the Committee – 41st session (2001)	Percentage share adopted by the Committee – 44th session (2004)	Changes in percentage share
Africa	30%	30%	0%
Asia and the Pacific	15%	20%	+5%
Latin America and the Caribbean	15%	16%	+1%
Central and Eastern Europe/ Commonwealth of Independent States and Arab States	15%	14%	-1%
Total geographic regions	**75%**	**80%**	**+5%**
Thematic/cross-regional	15%	10%	-5%
Outreach and business development	5%	5%	0%
Special programming needs and emerging issues	5%	5%	0%
Total other	**25%**	**20%**	**-5%**
Grand total	**100%**	**100%**	**0%**

[4] Report on the 44th session of the Consultative Committee (March, 2004), policy issues (pages 3-4)

C. Criteria for deciding to engage in certain countries

12. The availability of funds for programming is paramount, and limits the extent to which UNIFEM is able to engage in certain countries at any one time in its area of responsibility to promote gender equality and women's empowerment. Strategic engagement with countries on development programmes needs to be supported by predictable, multi-year programmable regular resources to ensure scalability and sustainability of UNIFEM catalytic and innovative initiatives. Based on the resources allocated for each region and the area of its expertise outlined in its mandate and strategic plan, the following criteria assist UNIFEM in determining how to engage in certain countries:

(a) Development indices:

(i) Level of poverty, gross national income per capita;

(ii) Least developed country status;

(iii) Gender development index as published in UNDP Human Development Reports;

(iv) Gender empowerment measure, published in UNDP Human Development Reports.

(b) Demand from programme countries and development partners:

(i) Demand from government;

(ii) Extent of country commitment to gender equality (e.g. national plan to be implemented, laws passed, etc.)

(iii) Programme continuity and consolidation opportunities;

(iv) Demand from the United Nations country team and resident coordinator;

(v) Demand from non-governmental organizations and women's networks.

(c) Other:

(i) Existence of conflict or post-conflict situations;

(ii) Availability of programmable regular resources;

(iii) Other compelling reasons for special programming on emerging issues.

13. These criteria have been communicated throughout the Fund and particularly to regional programme directors at the beginning of the programming cycle and with the roll out of the strategic plan.

IV. The way forward

14. The rest of this document examines the guiding principles, basic options and possible methodology that need to be considered if UNIFEM is to amend its current methodology for distribution of core resources.

A. Guiding principles

15. If the criteria and methodology for the allocation of UNIFEM regular resources are to be amended, some basic principles that guide the organization need to be maintained.

16. *Guiding principle 1. Adherence to the UNIFEM mandate and strategic plan* – UNIFEM is guided by its intergovernmental mandate and strategic plan, as elaborated in chapter II of this document. The overarching goal of UNIFEM is to support programme countries in achieving their national development priorities on gender equality and women's empowerment.

17. *Guiding principle 2. Annual regular resources allocation cycle* – The annual programming base, or the financial envelope, of regular resources available each

year is based on the partial funding formula. The cycle for regular resource allocation remains annual, in accordance with the level of programmable resources calculated in line with the formula. The levels of annual programmable regular resources differ each year, depending on projected contributions to regular resources from donors.

18. *Guiding principle 3. Maintaining key programming categories* – The current programming categories and geographic regions endorsed by the Consultative Committee should be maintained when designing an amended methodology. They are aligned with the functional and institutional configuration of UNIFEM. These categories include two main clusters: (a) geographic regions – Africa, Asia and the Pacific, Latin America and the Caribbean, Central and Eastern Europe/Commonwealth of Independent States and Arab States; and (b) thematic advice/cross regional outreach and business development, and special programming and emerging issues.

19. *Guiding principle 4. Maintaining the existing distribution of UNIFEM programming categories, geographic regions and other programme categories* – The existing percentage share of 80 per cent for geographic regions and 20 per cent for the other programme categories should be maintained as it offers the minimal funding necessary for the sustenance of the latter. Thus, the discussion on methodology and criteria for distribution of resources in this document applies to the 80 per cent, which is distributed between geographic regions.

20. *Guiding principle 5. Maintain allocation of resources at the regional and not country level* – Distribution of regular resources should continue to be by region, and not by individual country, given the mandate and limited scale of UNIFEM resources.

21. *Guiding principle 6. Minimum programme funding requirement for sub-regional programmes* – A minimum level of programme funding should be available for each UNIFEM sub-regional programme receiving the smallest shares of regular programmable resources. This will help ensure timely and effective support to programme countries and leverage additional resources from donors in UNIFEM areas of work. This minimum amount will be deducted upfront from the total available programmable resources, and will allow UNIFEM to factor in its sub-regional presence in the distribution criteria and methodology. This approach aligns with the allocation methodology of UNDP for regional programmes of geographic regions with small percentage share.

22. *Guiding principle 7. Cost-effective methodology* – Whatever methodology is ultimately proposed, it must be simple and cost effective in formulation and application. Its application should avoid placing a heavy burden on the limited capacity of UNIFEM, nor require additional staff.

23. *Guiding principle 8. Gradual transition* – While the need for streamlining and refinement of the criteria and methodology for regular resources allocation is important for effective programming, it is also critical that changes to methodology are done in progressive and incremental manner. This would allow sufficient time for UNIFEM and sub-regional programmes to adjust to proposed changes and avoid abrupt interruptions to substantive and financial commitments. It is proposed that any changes be implemented gradually in the 2012-2016 strategic plan cycle.

24. *Guiding principle 9. Scale of regular resource base* – The limited scale of UNIFEM regular resources should be taken into account in selecting the criteria and methodology for resources allocation. The scale of UNIFEM investment in formulating and applying a new criteria and methodology is smaller than what larger organizations can afford.

B. Two basic options

25. Two basic options need to be considered if a fund the size of UNIFEM is to amend its current criteria and methodology for allocation of core resources. One option is to develop criteria and methodology that is UNIFEM-specific. The other option is to adopt existing criteria and methodology used by other organizations. The choice between these two options must be guided by the principles already highlighted, particularly the principle of cost effectiveness, in view of the current and expected limited scale of UNIFEM core resources.

Option 1: A UNIFEM-specific criteria and methodology for allocation of core resources

26. The first option is to devise UNIFEM-specific criteria and methodology, in line with the UNIFEM mandate (guiding principle 1). Given the focus of the organization on gender equality and women's empowerment, the development of specific criteria will be based on pertinent statistical indicators.

27. Most statistics measuring the status of women focus on three elements: health (and reproductive health), education, and employment. The best known global databases[5] including such statistics are those included in the Millennium Development Goal framework and the variables used by the Human Development Report for estimates of the gender development index and gender empowerment measure[6].

28. The Millennium Development Goal framework monitors a set of agreed variables for each of the eight goals. There is no global index at the goal level, nor is there a composite measure of any kind (including gender). The following variables are included that relate to the status of women[7]:

(a) As measures of Millennium Development Goal 3 (promote gender equality and empower women): the ratio of girls to boys in primary, secondary and tertiary education; the share of women in wage employment in the non-agricultural sector; and the proportion of seats held by women in national parliament;

(b) As measures of Millennium Development Goal 5 (improve maternal health): Maternal mortality ratio; and proportion of births attended by skilled health personnel.

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[5] It is worth noting that there is an ongoing discussion among Member States regarding the use of global databases instead of nationally produced data. Global databases are adjusted values by specialized organizations to ensure methodological consistency among countries but may also produce drastically different estimates for some countries where the nationally produced estimate is considered inaccurate. For the purposes of this document, focus is only on global databases since UNIFEM does not have the capacity to collect nationally produced data.

[6] These databases are particularly useful because they collect information produced by specialized organizations such as the International Labour Organization, the United Nations Scientific, Educational and Cultural Organization, the United Nations Children's Fund, UNFPA and the World Bank, within frameworks that are considered legitimate among Member States. This is not to imply the information and indices are not criticized, but rather that their existence, values and methodological limitations are relatively well known.

[7] The following variables are also included in the Millennium Development Goal framework; although it is not mandatory to report on sex-disaggregated data, this information is mostly available when data is:

- Employment-to-population ratio [Millennium Development Goal 1]
- Proportion of own-account and contributing family workers in total employment [Millennium Development Goal 1]
- Net enrolment ratio in primary education [Millennium Development Goal 2]
- Literacy rate of 15- to 24-year-olds, women and men [Millennium Development Goal 2]
- Under-five mortality rate [Millennium Development Goal 4]
- Infant mortality rate [Millennium Development Goal 4]
- HIV prevalence among population aged 15-24 years [Millennium Development Goal 6]

29. The Human Development Report gender development index is a composite measure based on its human development index, but adjusting it to reflect the inequalities between men and women according to a formula detailed in the report. The following variables, disaggregated by sex, are used as proxy measures of capabilities:

(a) Life expectancy at birth, as a measure of health;

(b) Adult literacy rate and combined primary, secondary and tertiary gross enrolment ratio, as a measure of knowledge; and

(c) Estimated earned income (United States dollar purchasing power parity), as a measure of access to decent living standards.

30. The Human Development Report gender empowerment measure is also a composite measure that focuses on women's opportunities rather than capabilities, and captures gender inequality in three areas:

(a) Share of parliamentary seats, as a measure of political participation and decision-making power;

(b) Share of position of legislators, senior official and managers; and share of professional and technical positions, as a measure of economic participation and decision-making power;

(c) Estimated earned income (United States dollar purchasing power parity), as a measure of power over economic resources.

31. Ideally, a measure that combines all Millennium Development Goal gender-relevant variables, or women's capabilities and opportunities (gender development index and gender empowerment measure) would be the best combination for assessing women's status. Despite the fact there are many gender inequality indices available from advocacy and research institutions, a fully legitimate index combining both elements does not exist. For this reason, if UNIFEM were to use a measure combining aspects of capabilities and opportunities, this will have to be tailor made, and would require various technical elements such as: (a) inventory of variables measuring women's status, with adequate availability, reliability and consistency of data; (b) a detailed indexing methodology, including weighting of selected variables (which should include various model alternatives), for country-level estimation; (c) a set of rules and principles for dealing with missing data (including when a projection could be used as a replacement); and (d) a regional aggregation method[8] of the estimated measure at the country level, most likely using population as a weighting factor. This will have to be accompanied by proper consultations, which will make the technical discussion even lengthier.

32. Given these challenges, as well as the scale and staffing capacity of UNIFEM and the fact that UNIFEM is organized at the regional and sub-regional – but not country – level, there is no basis for justifying the production of a new measure for the purposes of resource distribution. A point-system allocation based on country-level data is also not appropriate, since UNIFEM operates at the regional level. For these reasons, the use of a combined measure using Millennium Development Goal variables is not recommended.

Option 2 – Adopting an existing methodology

33. The second option is to adopt an existing methodology applied by another multilateral development organization. There is a variety of criteria and methodologies applied by these organizations to allocate resources. For the purpose

[8] A regional aggregation method would be required in light of guiding principle 5. Given the limited scale of UNIFEM, that does not allow large scale dispersion at the country level.

of this document, the methodologies for regular resources allocation of UNDP and UNFPA are reviewed.

34. *UNDP methodology for regular resources allocation* – UNDP target for resource assignment from the core (TRAC)-1 country-level distribution model is a complex one, and ensures a focus on low income and least developed countries. The model starts by producing a base country allocation using World Bank data on population and per capita gross national income as the primary criteria. It is adjusted by coefficients to ensure progressive favor towards lower income countries; countries with higher populations have some, but not a predominant effect, on overall distribution. The model then determines levels to be received by countries and modifies the basic allocation, if the former is higher. Based on these modifications, the final country allocations are estimated. TRAC-1 covers only low income and middle income countries (the former receive a bonus in the distribution system), leaving out net contributor countries. The gross national income per capita threshold for classifying countries used in the UNDP 2007 programming arrangements document is $1,050[9] or less for low income countries, and up to $5,500[10] for middle income countries; countries above that level of gross national income per capita were considered net contributors. Based on this model, UNDP estimates regional allocations by aggregating country-level allocations in each region, which are used to establish the regional distribution of programme resources.

35. *UNFPA methodology for regular resources allocation* – UNFPA methodology consists of grouping countries into three categories based on the principle that countries furthest away from achieving International Conference on Population and Development (ICPD) goals in reproductive health and gender equality should receive priority assistance. The system consists of assigning points to countries based on eight indicators and associated thresholds, including: the proportion of births attended by skilled health personnel; the contraceptive prevalence rate for modern methods; the proportion of population aged 15-24 years living with HIV/AIDS; the adolescent fertility rate; the under-five mortality rate; the maternal mortality ratio; the literacy rate among 15-24 year-old females; and the age dependency ratio of females. Countries are classified into 'a', 'b' and 'c' groups based on thier performance in the eight indicator areas. There is also an additional group 'o' consisting of other countries for which detailed data are not available and/or those countries that have received limited or temporary assistance. Although there is an estimation of the share of resources to be allocated for each of these groups of countries, there is not a clear methodology for country-level distribution[11].

36. *Feasibility analysis of the two basic options: UNIFEM-specific versus adopted* – When weighing the benefits and challenges of devising a methodology or adopting an existing one, there is a strong argument to be made for the latter approach. UNIFEM does not produce data as part of its core business and therefore, it would be difficult for UNIFEM undertake such activities in a cost-effective way. Furthermore, producing and collecting data is complex and expensive – to perform the task properly, a well staffed data analysis unit would be required. In addition,

[9] Country income thresholds changed from $900 to $1,050 and from $4,700 to $5,500. Refer to Executive Board decision 2007/33 authorizing the proposals of the Administrator to enhance the 2008-2011programme financial framework and introducing a systematic adjustment of country classification thresholds at the beginning of each programming cycle.

[10] ibid.

[11] UNFPA guidance for country allocations is summarized in the following text: "The actual needs and priorities of individual countries, as determined through the United Nations Development Assistance Framework, would be paramount in defining individual country allocations. Other factors that would be taken into account would be related, inter alia, to the country's population size and income; the availability of significant funding for ICPD issues from other donors; internal inequalities and disparities within countries; life expectancy; the extent of achievement pertaining to ICPD goals and the Millennium Development Goals; the emergency, transition and recovery situation in the country; and other relevant qualitative aspects." However, a clear methodology for applying this guidance is not provided.

UNIFEM has a limited resource base and allocations for programming are relatively small compared to other funds and programmes to warrant devising and applying a UNIFEM-specific methodology. For these reasons, adopting an existing methodology is more attractive, though it is important to assess and identify which methodology is most appropriate for UNIFEM.

37. In order to analyze methodologies and their technical feasibility for replication in UNIFEM, the following factors should be taken into consideration:

(a) Since UNIFEM is not a data producer (unlike UNFPA), collection of data for estimating resource allocation should be relatively inexpensive and not labor-intensive;

(b) Since UNIFEM does not have a data analysis unit, the allocation model needs to be relatively simple, and ideally rely on existing models;

(c) The methodology needs to be applicable at the regional and sub-regional level, since UNIFEM does not have a country presence;

(d) The methodology must incorporate a measure of gender inequality;

(e) The methodology should prioritize lower income countries, since this often correlated with lower status for women.

38. The UNDP and UNFPA methodologies offer strengths and weaknesses. The methodology of UNDP relies on easy accessible data and is strong on ensuring progressiveness towards lower income countries. It also provides a relatively easy aggregation method at the regional level. Although the UNDP model is relatively complex, its country allocations and corresponding regional allocations are publicly available. For these reasons, the UNDP regional resource allocation approach could be a good starting point, but would need adjustment to incorporate gender equality levels. Using the UNDP regional allocation approach is also in line with the association between UNIFEM and UNDP.

39. The UNFPA method favours countries where women have lower status and integrates measures of gender inequality, since the variables used by the organization are particularly gender-sensitive. It will be difficult, however, to estimate regional level allocations based on the UNFPA methodology – a requirement given the regional/sub-regional structure of UNIFEM operations (guiding principle 5). Devising a custom aggregation method for UNIFEM will render adoption of the UNFPA model complicated and demanding.

40. The UNDP methodology, adjusted by gender, seems to be the best option.

V. Adjusting for gender and methodology for applying an amended resources distribution

41. If the UNDP methodology is eventually adopted, adjusting it for the gender gap will be required. Section A provides an explanation of how the methodology can be used, while section B outlines how to compute the distribution of UNIFEM regular resources among regions.

A. Adjusting UNDP regional distribution for gender equality

42. Adjusting UNDP resource distribution to incorporate gender inequality requires the selection of indicators and a metnodology for making the adjustment. The gender development index and gender empowerment measure are candidates to use for the adjustment. Combining both indices would pose technical challenges not much less than those for creating a new measure. The technical feasibility of using either index has been assessed for the purpose of this exercise. With respect to the gender empowerment measure, a major obstacle was the inadequacy of the number

of countries and their population coverage for which an estimation of the gender empowerment measure is available, especially for the Africa region, but also for Asia and the Pacific.

43. As a consequence, the main variable that could be used to estimate a gender adjustment factor for the UNDP pro rata share of total TRAC-1 resources would be the gender development index. See table 2.

Table 2: Gender development index and gender empowerment measure, per region

Region	Total countries	Gender Development Index		Gender Empowerment Measure	
		N countries	Population percentage	N countries	Population percentage
Africa	48	43	95%	9	24%
Asia and the Pacific	37	26	98%	16	61%
Arab States*	17	13	51%	10	78%
Latin America and the Caribbean	33	24	96%	25	95%
Central and Eastern Europe and the Commonwealth of Independent States	30	27	97%	24	88%

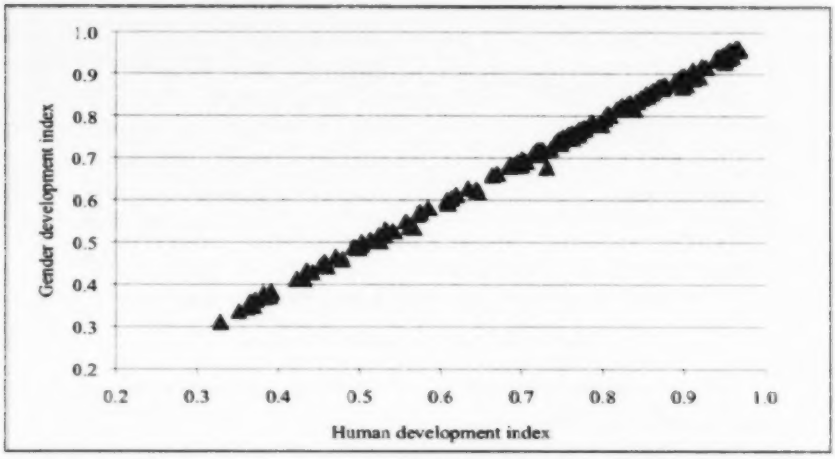
* It is worth noting that the low population coverage of the gender development index in the Arab States is related to the lack of information from Egypt.

44. Determining how to estimate the 'gender adjustment factor' requires an identification of the main priority for the distribution of resources – improving women's status, or gender equality? Although both elements need to be incorporated in the final distribution of resources, a decision needs to be made in terms of what the gender adjustment factor should correct for.

45. Since UNIFEM distribution of resources will take UNDP estimates as a starting point, and considering the high correlation levels shown in figure 1 and figure 3, it can be argued that the adjustment needed should focus on gender inequality rather than the status of women – the latter incorporated through the methodology of UNDP.

46. The gender development index, as such, is a measure of women's status, indicating the extent to which women can access basic capabilities for their development: education, health and access to economic power. For this reason, it is not surprising that the measure correlates closely with the human development index, as shown in figure 1.

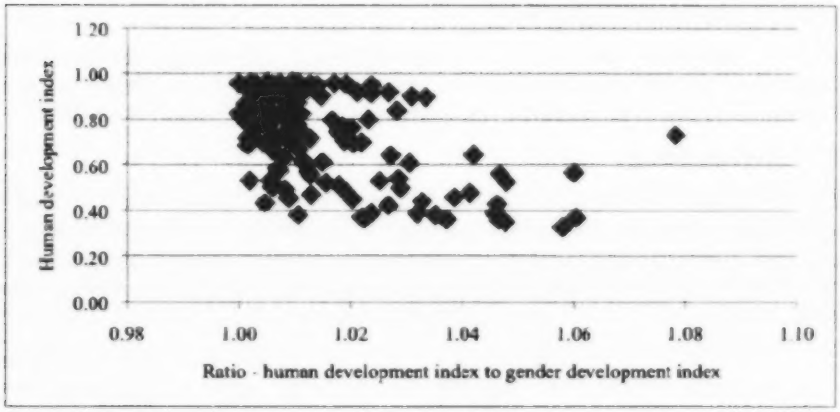
Figure 1: Correlation between the gender development index and the human development index



Data source: UNDP Human Development Report 2007 and 2008. Elaboration by UNIFEM

47. A measure of gender inequality could be estimated by calculating the ratio of the gender development index to the human development index. As figure 2 shows, this correlation disappears when estimating the human development index to the gender development index ratio, suggesting this is a good measure for gender inequality.

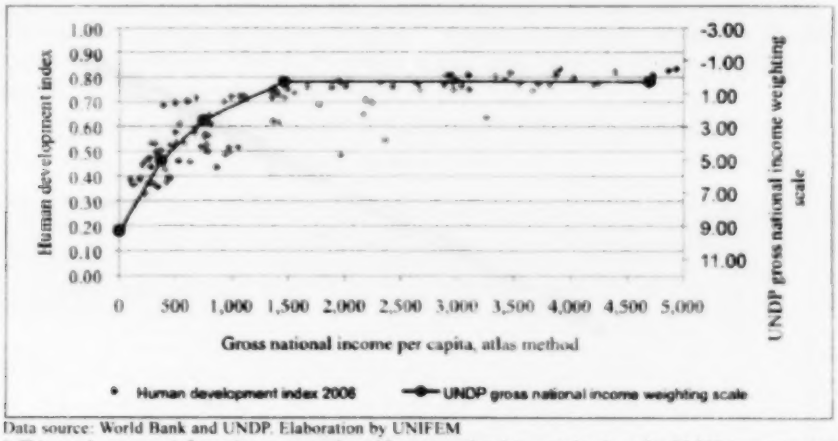
Figure 2: Correlation between the human development index, and the human development index to gender development index ratio



Data source: UNDP Human Development Report 2007 and 2008. Elaboration by UNIFEM

48. The gender adjustment factor that needs to be estimated will correct regional distributions calculated by UNDP, which is based on gross national income per capita and population data, adjusted by coefficients to ensure a progressive scale in favor of lower income countries. For this reason, it is important to explore the relationship between human development (highly correlated with gender development, and a proxy estimation of poverty incidence) and the gross national income per capita – the main variable used by UNDP for its distribution. As figure 3 shows, there is a clear relationship between these variables, but it is not linear. The figure also shows UNDP gross national income weighting coefficients that ensure a focus on low income countries, which is a good approximation of the relationship between the human development index and the gross national income per capita.

Figure 3: Gross national income per capita, the human development index and the UNDP gross national income weighting scale



Data source: World Bank and UNDP. Elaboration by UNIFEM

* This graph presents information on countries with gross national income levels under $5,500 (countries with a higher gross national income are identified as net contributors).

49. Given that UNIFEM allocates resources at the regional level, there will be a need to calculate regional ratios (human development index to gender development index)[12]. This would require a regional estimation of the human development index and the gender development index, which necessitates the selection of a weighting methodology for averaging. The simplest method would be to use population size as the weighting factor (method 1). However, following the methodology of UNDP, a weighting coefficient could be applied to countries' population size to ensure that higher population levels have some, but not a predominant effect, on overall estimation (method 2). As section B shows, the regional estimated values variations between methods are negligible.

50. In conclusion, the human development index and the gender development index ratio will be used as a measure of gender inequality to estimate the gender adjustment factor to be applied to the regional allocation of resources of UNDP.

B. Methodology

51. As shown in table 1, UNIFEM core programmable resources are divided into two main programme categories: geographic regions and other (thematic, cross-regional, outreach and special programming needs). Geographic regions are allocated 80 per cent of core programmable resources, while the other programming categories are allocated 20 per cent of these resources.

52. As suggested by guiding principle 4, it is recommended that the distribution of core resources between the regions and the other programming categories is maintained.

53. The following discussion on methodology and criteria applies only to the 80 per cent of resources devoted to the geographic sections.

54. Drawing on the above discussion, two methods for distributing resources are considered. The first method performs a simple weighting calculation, using the full size of the population, and the second applies a population weight that multiplies the full size of the population by a weight coefficient. In both cases, adjustment for gender gap is made using gender adjustment factor described in the previous section.

[12] The regional estimations of the gender development index and the human development index were computed using the regional country classification used for the UNIFEM report entitled progress of the world's women 2008/09, page 134.

55. The following is a step-by-step explanation of the application of the methodology.

56. *Step 1: Estimation of the total programming resources* – The total amount to be distributed for programming is separated in two portions, following the UNDP strategy for regional allocation of funds:

(a) 80 per cent to be distributed according to the UNDP pro rata share of TRAC-1 resources, slightly modified to incorporate gender equality in addition to poverty;

(b) 20 per cent to be distributed between the three regions receiving the smallest shares in (a), and further distributed according to the number of sub-regional offices in each region.

57. The total amount to be distributed for programming in 2009 was estimated at $31.2 million, of which $25 million will be distributed according to (a) and the balance of $6.2 million distributed according to (b).

58. *Step 2: Identification of the UNDP pro rata share of TRAC-1 resources* – The UNDP TRAC-1 distribution model uses World Bank data on population and gross national income per capita as the primary criteria, adjusted by coefficients to ensure a progressive approach in favor of lower income countries but also that countries with higher levels of population have some, but not a predominant effect, on overall distribution. The country level estimation is a complex one, and ensures a focus on low income and least developed countries. TRAC-1 covers only low income and middle income countries (the former receive a bonus in the distribution system), and leaves out net contributor countries. As mentioned earlier in this document, the gross national income per capita threshold for classifying countries used in the UNDP 2007 programming arrangements document is $1,050 or less for low income countries, and up to $5,500 for middle income countries; countries above that level of gross national income per capita were considered net contributors.

59. The estimated regional distribution of TRAC-1 resources, according to this methodology, was presented to the Executive Board in DP/2007/44 and is reproduced in table 3. The table also shows that this distribution ensures 86 per cent of the funds are allocated to low income countries.

Table 3: Gender-adjusted UNDP pro rata share of TRAC-1 resources by regions

Region	UNDP pro rata share of TRAC-1 resources	Method 1		Method 2	
		Gender Adjustment Factor	Gender Adjustment Factor – UNDP pro rata share of TRAC-1 resources adjusted percentage share	Gender Adjustment Factor	Gender Adjustment Factor – UNDP pro rata share of TRAC-1 resources adjusted percentage share
Africa	53.0%	1.0245	53.2%	1.0253	53.3%
Asia and the Pacific	28.0%	1.0129	27.8%	1.0132	27.5%
Arab States	7.0%	1.0598	7.3%	1.0670	7.6%
Latin America and the Caribbean	5.0%	1.0014	4.9%	1.0040	4.8%
Central and Eastern Europe and the Commonwealth of Independent States	7.0%	1.0073	6.9%	1.0092	6.8%

60. *Step 3: Application of a gender adjustment factor to UNDP pro rata shares* – The use of the UNDP pro rata share of TRAC-1 resources for the distribution of programming resources ensures that priority is given to low income countries. However, these shares do not necessarily incorporate regional levels of gender inequality and need to be adjusted using a gender adjustment factor.

61. The calculation of the gender adjustment factor is based on the estimation of regional values of the gender development index and the human development index.

62. The regional estimations of gender development index and the human development index are the averages of these values for all countries within a region, weighted by population size. Two estimations for these values are presented, both with very similar results. The first estimation performs a simple weighting calculation, using the full size of the population. The second estimation applies a population weight that multiplies the full size of the population by a weight coefficient (that varies according to the size of the population)[13], which ensures that higher population levels have some, but not a predominant effect, on overall distribution. Both estimations are shown in table 3.

63. The gender adjustment factor was calculated as the ratio of the human development index to the gender development index for each region; a higher ratio will indicate higher levels of gender inequality. Both estimations show almost identical values for the gender adjustment factor.

64. The gender-adjusted UNDP pro rata share of TRAC-1 resources are calculated by multiplying the gender adjustment factor with the UNDP pro rata share of TRAC-1 resources for each region, and then dividing this value by the sum of values for all regions. The resulting shares are very similar to the original UNDP pro rata share of TRAC-1 resources.

65. *Step 4: Distribution of 80 per cent of total programming resources (portion 'a')* – The amount allocated for each region is calculated by multiplying the respective regional share for portion (a) – the UNDP pro rata share of TRAC-1 resources adjusted by gender – by the total amount dedicated for this portion of $25 million. This amount represents 80 per cent of $31.2 million, total regular programmable resources available in 2009 for geographic regions[14].

66. *Step 5: Distribution of 20 per cent of total programming resources (portion 'b')* – It must be noted that UNDP uses a 90-10 formula for distribution of regional funds, instead of an 80-20 formula. The justification for reserving 20 per cent of the total funds to be distributed instead of 10 per cent is based on the fact that UNIFEM does not operate through country offices as UNDP does. Sub-regional programming requires higher minimal costs than country level, and UNIFEM needs to ensure a minimal adequate programming resources and presence at the field level for all sub-regional programme offices.

67. The three regions receiving the smallest shares under the distribution of portion 'a' are: Arab States with a share of 5 per cent; Latin America and the Caribbean, with a share of 7 per cent; and Central and Eastern Europe and the Commonwealth of Independent States, with a share of 7 per cent.

68. The regional share of portion 'b' is calculated according to the number of sub-regional programme offices in place, out of the total number of eight in all three regions. The resulting share is: two sub-regional programme offices in the Arab States (25 per cent); four sub-regional programme offices in Latin America and the Caribbean (50 per cent); and two sub-regional programme offices in Central and Eastern Europe and the Commonwealth of Independent States (25 per cent).

[13] Population weight coefficients are from UNDP programming arrangements for the period 2004-2007, as follows:

Population (in millions)		Weight coefficients	
From	To	From	To
0	1	0.050	0.525
1	10	0.525	1.425

[14] Source: UNIFEM finance report to the 49th session of the Consultative Committee, 17-18 March 2009.

69. The amount allocated for each region is calculated by multiplying the respective regional share for portion 'b' by the total amount dedicated for this portion – $6.2 million.

70. *Step 6: Regional distribution of total programming resources (portions 'a' plus 'b')* – The total amount allocated for each region is calculated as the sum of portions 'a' and 'b' for each region. See table 4.

Table 4: Amount allocated for each region under methods 1 and 2

Region	Method 1 *(in millions of dollars)*			Method 2 *(in millions of dollars)*		
	Total 1	'a'	'b'	Total 2	'a'	'b'
Africa	13.27	13.27	0.00	13.26	13.26	0.00
Asia and the Pacific	6.93	6.93	0.00	6.92	6.92	0.00
Arab States	3.37	1.81	1.56	3.38	1.82	1.56
Latin America and the Caribbean	4.34	1.22	3.12	4.35	1.23	3.12
Central and Eastern Europe and the Commonwealth of Independent States	3.28	1.72	1.56	3.28	1.72	1.56

71. Table 5 summarizes the effective regional distribution, in percentages and absolute amounts, for each method in comparison to the current method and the resulting differences. For testing purposes, the 2009 regular resources allocations among the geographic regions are used.

Table 5: Summary of analysis between method 1 and 2 and with gender development index compared to current methodology

Region	Method 1 with gender adjustment factor		Method 2 with gender adjustment factor		Current methodology		Difference – Method 1 from current		Difference – Method 2 from current	
	Share (in millions)	Percentage share	Share (in millions)	Percentage share	United States dollars (in millions)	Effective rate as a percentage *%	Percentage share	United States dollars (in millions)	Percentage share	United States dollars (in millions)
Africa	13.27	42.53%	13.26	42.51%	11.70	37.50%	+5.03%	+1.57	+5.01%	+1.56
Asia and the Pacific	6.93	22.21%	6.92	22.19%	7.80	25.00%	-2.79%	-0.87	-2.81%	-0.88
Arab States**	3.37	10.81%	3.38	10.84%	2.73	8.75%	+2.06%	+0.64	+2.09%	+0.65
Latin America and the Caribbean	4.34	13.92%	4.35	13.93%	6.24	20.00%	-6.08%	-1.90	-6.07%	-1.89
Central and Eastern Europe and Commonwealth of Independent States**	3.28	10.52%	3.28	10.53%	2.73	8.75%	+1.77%	+0.55	+1.78%	+0.55
TOTAL	**31.20^**	**100%^**	**31.20^**	**100%**	**31.20**	**100%**	**0^**	**0^**	**0**	**0^**

*These are effective rates. The percentage shares endorsed by the Consultative Committee are 30 per cent, 20 per cent, 7 per cent, 16 per cent, 7 per cent for Africa, Asia-Pacific, Arab States, Latin America and the Caribbean, and Central and Eastern Europe and the Commonwealth of Independent States, respectively.

**Arab States and Central and Eastern Europe and the Commonwealth of Independent States are taken as one category for UNIFEM regular resources allocation purposes. They are separated in the above table in order to align the above methods with UNDP methodology for regular resources allocation.

^ These figures are rounded to the nearest digit.

VI. Conclusions, and for consideration of the Committee

72. This document is prepared in response to the a request by the Consultative Committee to provide an analysis of the criteria for resources allocation with the intention of reporting to the UNDP/UNFPA Executive Board as part of the implementation of the strategic plan. UNIFEM is seeking guidance from the Committee on how to proceed.

73. This document provided an analysis of two basic options for the development and application of resource allocation criteria and methodology. The first option is to devise UNIFEM-specific criteria and methodology. The second is to adopt an existing criteria and methodology from a sister agency and adjust for gender, in line with the mandate of UNIFEM. The criteria and methodology used by UNDP and UNFPA are reviewed for this purpose and, this document suggests the adoption of the UNDP approach with a methodology to adjust for gender.

74. With the presentation of a possible gender adjustment methodology, this document outlines a step-by-step application of the methodology. The results of this are indicated in table 5. Applying the methodology using two alternative methods has implications on the level of regular resources allocated to each geographic region compared to the current methodology. If either of these two methods was to be adopted, Africa, Arab States and Central and Eastern Europe and the Commonwealth of Independent States would receive more in percentage share and absolute amount, while Asia and the Pacific and Latin America and the Caribbean and would receive less compared to the current methodology.

75. The implications of a reduction in resources for the programming of any region and the ability of UNIFEM to respond to demands from programme countries are obvious. Any change in methodology has to be carefully evaluated taking into account the mandate of UNIFEM, its limited resource base, and risks associated with programming commitments to development partners. In this regard, the guiding principles presented in this document, including the principle of gradual and incremental approach, should be borne in mind in recommending follow-up action.

76. In terms of which methodology to adopt, this could be considered once the policy recommendation of whether to pursue a change in resource distribution methodology is made.

Annex

May 26, 2009 No 1-8/352

Madame Administrator,

I have the honour to address you in my capacity as Chair of the UNIFEM Consultative Committee – composed of Chile, Norway, the Republic of Korea, Sudan and Estonia. The Committee has been tasked by the General Assembly to provide guidance to UNIFEM as well as to advise the Administrator of the UNDP about the activities of the Fund.

Following its discussion at its 48th and 49th Annual Sessions on the criteria for resource allocation the Committee recommended at its 49th Annual Session on 17-18 March 2009 that UNIFEM provide an analysis of the criteria for resource allocation for a review of these by the Committee at an inter-sessional meeting and its inclusion as an Annex to the Report on the implementation of the UNIFEM Strategic Plan for the Annual Session of the UNDP/UNFPA Executive Board.

Accordingly the Committee had an initial review of the requested briefing note following its receipt at its inter-sessional meeting on 22 May 2009.

In this respect, I would like to convey that at the meeting the Committee expressed its overall appreciation of the information received. The members agreed that the issue at hand is both complex and challenging and requires more time for deliberations than the session allowed for.

The meeting indicated a variance of views among the members regarding the basic options and possible methodologies, as well as the consistency between the information requested by the Committee and the response provided. It was also highlighted that the issue should be seen within the context of the ongoing gender reform discussions.

As a result of its deliberations on 22 May the Committee expressed its wish to further continue, within the scope of the mandate accorded to it in the Annex of resolution A/RES/39/125, consideration of the information presented at a next inter-sessional meeting.

Madame Administrator, please find enclosed herewith the briefing note provided by UNIFEM in accordance with the Committee's decision mentioned above.

Please accept, Madame Administrator, the assurances of my highest consideration.

Sincerely,

Tiina Intelmann
Ambassador
Permanent Representative

H.E. Ms. Helen Clark
Administrator, UNDP
One UN Plaza
New York, New York 10017

United Nations DP/2009/39–DP/FPA/2009/14

Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund

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Item 8 of the provisional agenda
Follow-up to UNAIDS Programme Coordinating Board Meeting

Report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS

I. Context

1. The AIDS epidemic is one of the world's most significant public health and development crises. In less than three decades, nearly 60 million people have been infected with HIV and more than 25 million have died of AIDS. Since 2001, there has been an extraordinary expansion of HIV programmes and funding that is beginning to bear fruit in turning the tide against the epidemic. New infections have recently declined and access to treatment has expanded significantly.

2. Nevertheless, AIDS continues to be a leading cause of mortality globally, and the leading cause of death in sub-Saharan Africa. Based on the *2008 Report on the global AIDS epidemic*, an estimated 2.7 million people were newly infected with HIV in 2007, bringing the number of people living with HIV to an estimated 33 million. And whilst treatment access has increased considerably, 2 million people died of AIDS-related illnesses in 2007, and almost 70 per cent of people in need of treatment are not receiving it. Despite a marked increase in coverage, HIV prevention programmes still fail to reach many people at risk of acquiring HIV, including sex workers, men who have sex with men and injecting drug users. And while the global percentage of women among people living with HIV has remained stable at 50 per cent over the past decade, in sub-Saharan Africa, women make up 60 per cent of people living with HIV, with young women particularly vulnerable. Effective prevention for discordant married couples, where one partner has HIV and the other does not, is especially challenging.

3. The Joint United Nations Programme on HIV/AIDS (UNAIDS) brings together the efforts and resources of 10 United Nations system organizations[1] and a secretariat in an innovative partnership to halt the spread of HIV and mitigate its impact. UNDP and UNFPA are founding Cosponsors of UNAIDS, and work together with the UNAIDS secretariat and other Cosponsors to facilitate an expanded response to

[1] UNAIDS Cosponsors include ILO, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNODC, WHO, WFP and the World Bank.

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AIDS by supporting and engaging the efforts of key sectors and diverse partners from government and civil society.

4. In June 2003, the Executive Boards of UNDP/UNFPA, the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) held a joint meeting to address the recommendations of the first five-year evaluation of UNAIDS, contained in document UNAIDS/PCB(13)/02.2. The joint meeting discussed the implications of the evaluation recommendations for UNDP, UNFPA, UNICEF and WFP, and addressed UNAIDS operational and governance issues. As a result, members of the Executive Boards agreed that follow-up to UNAIDS Programme Coordinating Board (PCB) meetings be placed as a regular item on the Boards' agendas.

5. The current report, presented jointly by UNDP and UNFPA, focuses on implementation of decisions from the 23rd PCB meeting, held in December 2008, as well as plans for follow-up on the decisions of the 24th PCB meeting held in June 2009. The report focuses on several key issues addressed during those meetings that were of particular relevance to UNDP and UNFPA, including: (a) the 2010-2011 UNAIDS unified budget and workplan (UBW); (b) intensifying action on gender equality and AIDS; (c) partnerships between UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria; (d) progress in the second independent evaluation of UNAIDS; (e) UNAIDS participation in One UN pilots; and (f) HIV, forced displacement and migrant populations.

II. 2010-2011 UNAIDS unified budget and workplan

6. The UNAIDS unified budget and workplan is a unique instrument which combines in a joint programme the work of the 10 UNAIDS Cosponsors and the secretariat, with the aim of maximizing the coherence, coordination and impact of the United Nation's response to AIDS. The 2010-2011 UBW was developed through an inter-agency process, with a focus on prioritizing progress towards the goal of universal access to HIV prevention, treatment, care and support, and contributing to the achievement of the Millennium Development Goals (MDGs). In addition, a UBW performance monitoring framework was designed through a collaborative process to monitor and assess results and to increase accountability.

7. In April 2009, the UNAIDS Executive Director and the Executive Heads of cosponsoring organizations agreed on a new 2009-2011 UNAIDS outcome framework, to guide the strategic focus of the 2010-2011 UBW. The framework prioritizes eight outcome areas for intensified, joint and focused action by the UNAIDS Cosponsors and secretariat, in order to accelerate progress towards universal access and the MDGs. These priorities include: (a) preventing mothers from dying and babies from becoming infected with HIV; (b) ensuring people living with HIV receive treatment; (c) preventing people living with HIV from dying of tuberculosis; (d) protecting drug users from becoming infected with HIV; (e) removing punitive laws, policies and practices, stigma and discrimination that block effective responses to AIDS; (f) stopping violence against women and girls; (g) empowering young people to protect themselves from HIV; and (h) enhancing social protection for people affected by HIV. In addition, prevention of sexual transmission of HIV, which accounts for 80 per cent of new HIV infections globally, has been recognized as a key priority for the UNAIDS Cosponsors and secretariat.

8. Within the framework of the UBW, UNDP and UNFPA will implement a set of strategic and complementary activities to support achievement of the priority outcomes. These activities are based on the agreed UNAIDS division of labour, and aligned to the respective UNDP and UNFPA 2008-2011 strategic plans (the plans have subsequently been extended to 2013 by the UNDP/UNFPA Executive Board). UNDP will focus on strengthening linkages between action on HIV and broader development

efforts, building capacity for effective coordination of national and local HIV responses, promoting HIV-related human rights, supporting programming for women, girls and gender equality in national AIDS responses, addressing HIV and sexual diversity, and strengthening implementation of Global Fund programmes. UNFPA will focus on advancing an integrated approach to the delivery of sexual and reproductive health and HIV policies, programmes and services, including preventing HIV infection and ensuring the provision of sexual and reproductive health services and commodities to those living with HIV; strengthening linkages between sexual and reproductive health and HIV; and national capacity-building in forecasting, procurement, quality assurance, warehousing, distribution and logistics management information systems for reproductive health commodities.

9. Taking account of the effects of the economic crisis, the 2010-2011 UBW maintains the same budgetary level as the current 2008-2009 workplan. The new UBW, which was presented to the PCB in June 2009, focuses on strategic efforts by prioritizing the outcomes identified in the UNAIDS outcome framework, to optimize investments and results. Following its presentation, the PCB endorsed the outcome framework and the priority areas of the UBW, and approved the proposed distribution of resources among the 10 UNAIDS Cosponsors, the secretariat, and inter-agency activities. The PCB also endorsed the UBW performance monitoring framework, and agreed that it should be used by all constituencies to meet reporting needs for UNAIDS.

10. Members of the PCB also expressed concern about the effects of the economic crisis on HIV prevention, treatment and care. As a result, the PCB requested the UNAIDS secretariat and Cosponsors to report at its next meeting on the anticipated impact of the crisis on countries' ability to meet their universal access targets, and to include recommendations and mitigation strategies. Under the leadership of the World Bank, a working group has been established with UNDP, UNFPA, the UNAIDS secretariat and other Cosponsors, to develop strategies and recommendations for addressing the likely impacts of the crisis on responses to AIDS. The UNAIDS Cosponsors and secretariat recognize the imperative of maintaining investments in the global AIDS response to sustain the progress achieved so far, and to contribute to wider health, development and gender equality efforts.

III. Intensifying action to address women, girls, gender equality and HIV

11. Gender inequality and unequal power relations between women and men continue to be major drivers of HIV transmission. Globally women make up half of all people living with HIV, but there are considerable regional variations in the proportion of women among people living with HIV. In sub-Saharan Africa, 60 per cent of people living with HIV are female, and nine Southern African countries account for just over 40 per cent of the world's HIV-positive women. Gender-based violence, challenges in negotiating safer sex and other manifestations of gender inequality are closely associated with the risk of women being infected with HIV. Gender inequality and harmful gender norms are not only associated with the spread of HIV but also with its consequences. Women and girls bear a disproportionate burden of providing care to families affected by AIDS, and women who disclose their HIV-positive status often face greater stigma than men. Gender norms and expectations also influence male sexuality, risk-taking and vulnerability to HIV.

12. In December 2008, the PCB requested the establishment of an inter-agency strategy to address HIV and women and girls. As the lead UNAIDS agency on gender and HIV, UNDP coordinated an inter-agency process, working with UNFPA, the UNAIDS secretariat and Cosponsors and UNIFEM to develop a UNAIDS action framework for addressing women, girls, gender equality and HIV. The framework is aimed at intensifying efforts towards a comprehensive gender-transformative AIDS response that

advances universal access for women and girls. It focuses on action in three areas where the UNAIDS Cosponsors, secretariat, and UNIFEM can bring specific and unique contributions: (a) strengthening strategic guidance and support to national partners to "know their epidemic and response" in gender terms; (b) assisting countries to ensure that national HIV and development strategies, operational plans, monitoring and evaluation frameworks and associated budgets address the needs of women and girls in the context of HIV; and (c) advocacy, capacity-strengthening and mobilization of resources to deliver a comprehensive set of measures to address the needs and rights of women and girls in the context of HIV.

13. The draft action framework was presented to the PCB in June 2009, following consultations with diverse stakeholders. The PCB welcomed the framework and requested its finalization and operationalization by October 2009, with a progress report to the PCB in June 2010. The UNAIDS Executive Director was also requested to appoint an advisory working group to support development, implementation and monitoring of an operational plan. In addition, governments, donors and the UNAIDS Cosponsors and secretariat were urged to significantly expand efforts to address inequality between men and women, gender-based violence, and harmful gender-based practices and norms as major drivers of HIV.

14. UNDP and UNFPA have prioritized efforts to increase attention to gender equality in HIV programmes, in collaboration with the UNAIDS secretariat and Cosponsors, UNIFEM and the Global Coalition on Women and AIDS. UNDP facilitated the convening of an inter-agency working group to accelerate UNAIDS and UNIFEM support on gender equality and HIV, and constituted an expert group to inform the development of an initiative that is building regional technical support capacity for scaling up gender-based responses at country level. UNDP also led the constitution of a parallel inter-agency working group to coordinate action relating to sexual diversities, in partnership with UNFPA, the UNAIDS secretariat, UNESCO, UNODC and WHO. The working group developed a UNAIDS action framework to address HIV among men who have sex with men and transgender populations, which was launched in May 2009.

15. In parallel to supporting interagency collaboration, UNDP focuses on several key areas to ensure that national AIDS programmes address critical gender linkages, promote gender equality and empower women. This includes supporting gender analysis of national epidemics and gender assessments of AIDS programmes to identify key issues, gaps and challenges. UNDP assists countries in integrating gender-responsive approaches into AIDS strategies and operational plans, and enhances capacity of women living with HIV and women's groups to participate in and implement responses to AIDS. HIV programmes also focus on promoting property and inheritance rights of women and girls, addressing gender-based violence, tackling stigma and discrimination against women affected by HIV, and promoting the role of men and boys in championing gender equality.

16. Expanded efforts to address HIV and gender equality are visible globally and in all regions. In the Asia and Pacific region, UNDP launched a practitioner's guide on women and HIV to promote country action to reduce vulnerability, working with UNFPA, UNIFEM and other partners. To build the capacity of United Nations staff and national stakeholders on gender and AIDS, UNDP, the World Bank and the UNAIDS secretariat collaborated to conduct a multi-stakeholder training for nine Southern African countries on integrating gender and human rights dimensions in national AIDS responses. Global and regional technical support has been provided to several countries including India and Kenya for the expansion of gender programming in national HIV strategies. To inform and strengthen HIV programmes, UNDP is supporting research on spousal transmission of HIV, and has conducted qualitative research on HIV vulnerabilities of Asian migrant women in seven countries in the Arab States.

Assessments of laws relating to women's property and inheritance rights, sex work, and trafficking have been undertaken, in addition to initiatives to economically empower women living with HIV. UNDP is also participating in the Men Engage steering committee, and provided support to the global symposium on engaging men and boys in achieving gender equality.

17. UNDP country offices across regions have also prioritized efforts to ensure that HIV responses advance gender equality and empower women. In addition to strengthening mainstreaming of gender in HIV programming, a key area of focus has been jointly integrating gender priorities and HIV responses into national development plans and processes. In Botswana, for example, UNDP has widely advanced joint gender and HIV mainstreaming in national and sectoral development plans. In Papua New Guinea, support was provided for integration of action to address gender inequality in the national HIV-prevention strategy. Another area of focus is strengthening leadership and engagement of women in AIDS responses. In Nigeria and Mexico, capacity-building efforts helped to increase participation of women and leadership among women's groups in national planning and coordination processes. In Indonesia, support was provided to the establishment of the first national network of HIV-positive women, and in Nepal, assistance to 36 community-based organizations led by women enabled HIV-related outreach to 2,000 women, as well as comprehensive care and support for women living with HIV across five districts.

18. UNDP also promotes programmes that focus on addressing the needs of women with HIV. In Cameroon, for example, particular attention has been given to economically empowering women living with HIV, while in Lithuania, a vulnerability study was implemented to analyse specific vulnerabilities and needs of HIV positive women. Programmes to tackle gender-based violence and unequal power relations have been supported in several countries. In Mozambique assistance was provided to parliamentarians for the development of a law to address domestic violence. In Namibia, community conversations were implemented to address unequal gender power relations and facilitate gender responsive programming at community level. In Barbados, UNDP and UNIFEM are collaborating to better integrate understanding of masculinity to achieve positive outcomes linking HIV, gender equality and human rights. These efforts have helped to strengthen HIV initiatives, and link action on gender with action on AIDS for more integrated and effective programming.

19. UNFPA support has contributed to increased demand for, access to and utilization of quality prevention services for HIV and other sexually transmitted infections (STIs), especially for women, young people and other vulnerable groups, including populations of humanitarian concern. In Brazil, UNFPA along with other United Nations agencies and partners supported the Government to develop, launch and implement the Integrated Plan to Confront the Feminization of the HIV Epidemic – the first initiative of its kind in Latin America. This pioneering plan is critical in a country where infection rates among women increased by 44.5 per cent between 1996 and 2005, which meant that HIV-positive women represented up to 40.2 per cent of registered cases in 2005. In Zimbabwe, UNFPA supported efforts to promote an enabling environment for safer sexual behaviours and for increased uptake of HIV-prevention services by contracting eight new implementing partners to cover eight provinces in 26 districts with 87 full-time HIV-prevention staff, 26 of whom are openly living with HIV in support of the Meaningful Involvement of People Living with HIV initiative. In Paraguay, UNFPA supported the National Programme against AIDS, specifically in prevention of mother-to-child HIV transmission, resulting in an increase from 4 per cent HIV testing in pregnant women in 2005 to 64 per cent in 2007. And, through the Fund's support to the Turkish Armed Forces Reproductive Health Education Programme, which provides up-to-date sexual reproductive health and gender-based violence prevention information to young soldiers, approximately 400,000 soldiers were trained on reproductive health and HIV prevention in 2008.

20. UNFPA supported and participated in the *Global symposium on engaging men and boys in achieving gender equality* held in Brazil from 23 March to 3 April 2009. Based on the outcomes of the meeting and in line with the UNFPA strategic framework on gender mainstreaming and women's empowerment, 2008-2011, which iterates the engagement of men and boys in gender equality as one of the six priority areas, UNFPA will continue to advocate, programme and allocate resources to better ensure that men and boys are involved as partners throughout gender equality programming and policy efforts. In part, this will entail building the evidence base which includes existing social technologies (i.e., interventions with a proven impact on the promotion of social change) on early socialization and male involvement. In recognizing that much of the successes to date in the field of male involvement and masculinities have been small scale, UNFPA will work at the policy level, along with pursuing other applicable strategies, to support scaling-up efforts.

21. To provide guidance and technical direction, UNFPA published and disseminated key advocacy tools, action briefs and guidance documents including *Make it Matter: Ten Key Advocacy Messages to Prevent HIV in Girls and Young Women; Guidance Package on Sexual and Reproductive Health for People Living with HIV*; three additional *Report Cards on Preventing HIV in Girls and Young Women* for Indonesia, Mexico and Peru; the *Guidance Note on Women, Girls and HIV;* case studies from Haiti and Kenya – *Linking Sexual and Reproductive Health and HIV/AIDS: Gateways to Integration; Joint statement on female initiated HIV-prevention methods;* a *Technical Guidance Note on Comprehensive Condom Programming*; and seven technical papers on the vulnerability of young women and girls to HIV in hyper-endemic African countries. Through the UNFPA-UNICEF joint programme and trust fund on female genital mutilation/cutting, increased advocacy for the abandonment of the practice and reduction of the risk of HIV contraction is taking place in Djibouti, Ethiopia, Guinea, Guinea-Bissau and Kenya. UNFPA supported advocacy while providing technical assistance for the development of legal frameworks relating to HIV prevention in Malawi and domestic violence in Zimbabwe.

22. Support towards intensifying country-led programmes on prevention of violence against women resulted in the participation of 10 countries (Burkina Faso, Chile, Fiji, Jamaica, Jordan, Kyrgyzstan, Paraguay, Philippines, Rwanda and Yemen) in a joint programme on violence against women from which seven baseline assessments were conducted, national in-country multi-stakeholder workshops on joint programming were held and joint national committees were established in Burkina Faso, Fiji, Jordan, Kyrgyzstan, Paraguay, Rwanda and Yemen, and two multi-stakeholder joint programming proposals were developed and are being implemented in the Philippines and Rwanda. In each of the countries, UNFPA has also been designated as the lead implementing agency by the United Nations country team. The capacity of staff was strengthened through workshops to facilitate a human rights-based approach to UNFPA programming in gender-based violence prevention and to address discrimination against women and girls in responding to AIDS.

23. UNFPA strengthened the capacity of staff and its partners for male involvement in reproductive health programmes in Fiji, Solomon Islands, United Republic of Tanzania and Vanuatu, resulting in increased male awareness, knowledge and participation in reproductive health. In Brazil, UNFPA supported the dissemination of a tool kit to involve young men in HIV-prevention programming from a gender perspective. UNFPA was represented and provided leadership in the United Nations Task Force on Women, Peace and Security, the United Nations Inter-Agency Task Force on Protection from Sexual Exploitation and Abuse in Humanitarian Crises, and the United Nations Trust Fund to Eliminate Violence against Women. UNFPA provided critical inputs and technical assistance to various outputs related to the work of these task forces.

IV. Partnerships between UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria

24. The 23rd PCB meeting held in December 2008 included a thematic segment focusing on the relationship between UNAIDS and the Global Fund to Fight AIDS, Tuberculosis and Malaria. The thematic segment followed from the adoption of a new memorandum of understanding between UNAIDS and the Global Fund in June 2008, which provides a framework for cooperation as well as a definition of complementary roles and shared goals for the Global Fund and the UNAIDS secretariat and Cosponsors.

25. Following the thematic segment, the PCB requested the UNAIDS secretariat and Cosponsors to work with the Global Fund to advance mutual goals, including support for implementation of Global Fund HIV grants and assistance to countries to reduce duplication between national AIDS coordinating authorities and Global Fund country coordinating mechanisms. The PCB also requested UNAIDS to update its technical support and capacity development strategy, noting that technical support frequently focuses on problem-solving rather than longer-term capacity-building.

26. In follow-up, the UNAIDS secretariat and Cosponsors defined a road map for a consultative process to prepare a technical support strategy. The secretariat convened a working group with representation from UNFPA and UNDP to guide development of a strategy that helps to improve quality assurance and enhance coordination and communication among technical assistance providers. The technical support strategy is expected to be finalized in January 2010, following consultations with regional and national stakeholders and the Global Implementation Support Team (GIST) that is currently chaired by UNFPA and includes representation from UNDP, the UNAIDS secretariat, the World Bank, WHO, UNICEF, the Global Fund, governments and civil society.

27. GIST is also sharing the results of its 2008 workplan with the strategy working group, including outcomes from support to 10 countries in developing national costed technical support plans based on needs assessments. Under the leadership of the UNAIDS secretariat, technical support planning guidelines have been developed, building on the experience from the countries supported to date. The technical support plans have been an excellent platform to promote effective coordination of technical assistance at country level. This is enhanced by the Coordination of AIDS Technical Support database, which has been established as an accountability tool for monitoring and reporting on progress against commitments made by international partners. In addition, through the 70% Success Coalition, set up by GIST, UNFPA participates in providing technical support aimed at achieving a 70 per cent success rate for approval of Global Fund HIV proposals. UNDP and UNFPA have provided support to development of Global Fund proposals across regions, strengthening attention to gender equality, women and girls, as well as other vulnerable population groups.

28. In relation to the strategic provision of technical support, UNFPA is developing an internal concept note which proposes principles for the UNFPA role in the provision of technical assistance for national capacity development in the context of rapidly changing internal and external environments. The draft concept note utilizes the insights within the *Principles for Technical Support* developed by the Global Implementation Support Team, and sets out next steps towards defining a UNFPA strategy for technical assistance for national capacity development, with improved South-South and triangular cooperation at the heart of this approach. The goal is to ensure that the technical assistance brokered by UNFPA, and all other partners, is of high quality, relevant, demand-driven, provides a clear value-added and contributes towards achieving national outcomes. A complementary operational guidance note, focused on building national capacity development, is under development. These documents will also

form part of the background materials to inform the UNAIDS technical support strategy that is curre under development.

29. Through an important partnership with the Global Fund, UNDP is intensively suppor development of national capacities to implement grants for AIDS, tuberculosis and malaria circumstances where no suitable national principal recipient has been identified to manage Global F grants, countries have requested UNDP to play that role by providing financial and programm oversight for grants. UNDP is currently principal recipient in 26 countries, managing 63 grants total almost $900 million. In an additional eight countries, UNDP is providing intensive capacity-buil support to national principal recipients to strengthen management and implementation of Global F programmes. The grants managed by UNDP have achieved notable results including (as of mid-2 provision of: HIV voluntary counselling and testing services to 2.25 million people; antiretro treatment to almost 100,000 people; community outreach activities targeting over 13 million pe prevention of mother-to-child transmission services to over 25,000 women; antimalarial treatmer almost 10 million people; detection and treatment of over 420,000 cases of tuberculosis; and distribu of 6.3 million bed nets.

V. Progress in the second independent evaluation of UNAIDS

30. The second independent evaluation of UNAIDS was initiated in 2008 to assess the effective and outcomes of UNAIDS at global, regional and country levels, including the secretariat, Cospons and the PCB. The evaluation is addressing a number of critical issues, such as the evolving rol UNAIDS within a changing global environment; the governance and administration of UNAIDS joint programme; "Delivering as One" and the division of labour between the UNAIDS secretariat Cosponsors; strengthening health systems; involving and working with civil society; human rights gender dimensions of the epidemic; and technical support to national AIDS responses.

31. Progress reports on the evaluation were presented to the PCB in December 2008 and in 2009. The evaluation team has completed field visits to 12 countries, as well as headquarters and cou consultations with Member States, the UNAIDS secretariat and Cosponsors, and civil society. In 2009, the evaluation team presented its preliminary findings to a global stakeholder consultat providing an opportunity for discussion on the initial findings, perceived gaps and priority issues. final evaluation report will be presented to the Chair of the PCB in October 2009, and will be the ce focus of discussion at the 25th meeting of the PCB in December 2009. UNDP and UNFPA will w together with the UNAIDS secretariat and Cosponsors to develop a management response to evaluation report and to establish a process for follow-up and implementation of the evalua recommendations.

VI. UNAIDS participation in One UN country pilots

32. At its 20th meeting in June 2007, the PCB discussed the role of UNAIDS in supporting Un Nations reform efforts and recommended the continual documentation of the joint programm contribution to United Nations coherence and "Delivering as One". The PCB requested a detailed re on UNAIDS participation in One UN country pilots, which was presented at its 24th meeting in J 2009.

33. The report to the PCB highlighted the experience and challenges of the UNAIDS mode informing United Nations reform efforts. As a joint and cosponsored programme, UNAIDS advances

principles of "Delivering as One" through mechanisms such as the UNAIDS division of labour, the UBW, and joint United Nations teams on AIDS at country level. The joint programme has helped to increase coherence and reduce duplication of efforts by defining complementary roles and responsibilities for the Cosponsors and secretariat, and by promoting joint planning, budgeting and monitoring. At the same time, the "Delivering as One" agenda has informed and strengthened the joint programme to more effectively coordinate a multisectoral United Nations response to AIDS.

34. Following presentation of the report, the PCB requested the UNAIDS secretariat and Cosponsors to strengthen their individual and collective capacity for effective involvement in, and contribution to, the "Delivering as One" agenda, and to prioritize processes that give a clearer and stronger strategic focus for UNAIDS as a joint programme. It further requested the UNAIDS secretariat to continue to assess the performance of joint United Nations teams on AIDS in all countries, and examine the outcomes and impact of UNAIDS participation in "Delivering as One" pilot countries for application in all countries where it has a presence.

35. UNDP and UNFPA are committed to promoting "Delivering as One" and are actively participating in joint United Nations teams on AIDS at country level. UNFPA has expanded HIV-focused staffing at country level to strengthen participation in joint teams, and UNDP has prioritized capacity-building support to increase effective functioning of joint teams and promote joint programmes of support at country level, including through the resident coordinator system. These efforts have helped to increase United Nations system collaboration and coordination at country level, and strengthen joint support to national AIDS programmes.

VII. People on the move – forced displacement and migrant populations

36. The thematic segment of the 24th PCB meeting in June 2009 focused on the theme of HIV and people on the move, drawing attention to the vulnerability of mobile populations to HIV, as well as to the impact of HIV on them. The thematic segment encompassed four broad areas: mobility and labour; economic drivers and pull factors for mobility; forced displacement and humanitarian situations; and HIV-related travel restrictions. The segment highlighted a number of critical issues, including gender-based violence in humanitarian settings; links between HIV, economic survival strategies and vulnerability of women and children; stigma and discrimination against persons living with HIV; and legislation that undermines access to HIV services for people on the move.

37. As a result of the thematic segment discussions, the PCB requested the UNAIDS secretariat and Cosponsors to ensure that staff facilitate the incorporation of mobile populations into regional and national AIDS strategies, and to support governments in harmonizing laws and policies on HIV testing to ensure adherence to internationally accepted standards that include informed consent, confidentiality, counselling, and proper referral to treatment, care and support services. The PCB also called for paying particular attention to HIV-specific restrictions on entry, stay and residence to ensure that people living with HIV are not excluded, detained or deported on the basis of HIV status.

38. UNDP and UNFPA are contributing to UNAIDS efforts to strengthen HIV programmes for people on the move, including migrants and populations of humanitarian concern. UNFPA is collaborating with the UNAIDS secretariat and the United Nations Department of Peacekeeping Operations (DPKO) to address the spread of HIV among uniformed personnel. UNDP and DPKO are chairing the inter-agency working group on disarmament, demobilization and reintegration, which is also working to strengthen integration of AIDS concerns. In the Asia and Pacific region and the Arab States,

UNDP is implementing initiatives to reduce vulnerability of migrant women to HIV, and to address links between HIV, unsafe mobility and human trafficking. UNDP and UNFPA are also partnering to implement programming at country level; in Sudan, for example, joint efforts are focusing on addressing gender-based violence through disarmament, demobilization and reintegration programmes.

VIII. Conclusion

39. The work of UNAIDS, including the complementary contributions of UNDP and UNFPA, has helped to support and advance national, regional and global responses to AIDS. As highlighted in the 2009 Report of the Secretary-General on Progress made in the implementation of the Declaration of Commitment on HIV/AIDS and the Political Declaration on HIV/AIDS (A/63/812*), reporting from 147 countries shows that important progress had been made in the AIDS response, including in the areas of treatment access and prevention of mother-to-child transmission. However, significant challenges continue to hamper the response. Efforts to sustain and further expand treatment access, prevention of mother-to-child transmission, and appropriate linkages between HIV and sexual and reproductive health services are all constrained by organizational and financial weaknesses in health systems. Stigmatization of marginalized populations and of people living with HIV has always undermined prevention and care efforts, but there is still inadequate investment in and evidence about how to overcome discrimination and human rights abuses. Efforts to respond to HIV both outside and inside the health sector need to be made more strategic and cost-effective, with a view to both short-term results and long-term challenges.

40. The global economic crisis threatens the significant gains achieved in the AIDS response, as well as efforts to address the considerable challenges that remain. A July 2009 UNAIDS and World Bank report entitled *The Global Economic Crisis and HIV Prevention and Treatment Programmes: Vulnerabilities and Impact* points out that HIV prevention programmes are in particular jeopardy, with survey respondents from 34 countries – representing 75 per cent of people living with HIV – indicating that there is already an impact on HIV-prevention programmes for most-at-risk populations such as sex workers, people who inject drugs and men who have sex with men.

41. Recognizing that success in the AIDS response advances wider development, health and gender equality efforts, UNFPA and UNDP are committed to maintaining the momentum to achieving universal access to HIV prevention, treatment, care and support. The HIV epidemic requires a sustained and long-term response to address and mitigate its long-range challenges and impacts. To achieve this, the UNAIDS secretariat and Cosponsors are reinvigorating efforts towards universal access, working together with people living with HIV, governments and civil society. They are also committed to partnering with global movements for development, health, human rights, and gender equality to ensure that their collective efforts are synergistic and contribute to the achievement of all MDGs.